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ROYAL COMMISSION

ON

AGRICULTURE.

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MINUTES OF EVIDENCE

(5th August, 1919, to 20th August, 1919).

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MINUTES OF EVIDENCE

TAKEN BEFORE

THE ROYAL COMMISSION ON AGRICULTURE.

FIRST DAY,

TUESDAY, 5TH AUGUST, 1919.

PRESENT:

SIR WILLIAM BARCLAY PEAT (*Chairman*).

SIR WILLIAM JAMES ASHLEY.
DR. C. M. DOUGLAS, C.B.
MR. G. G. REA, C.B.E.
MR. W. ANKER SIMMONS, C.B.E.
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MR. R. R. ROBBINS.
MR. W. R. SMITH, M.P.
MR. R. B. WALKER.

SIR DANIEL HALL, K.C.B., F.R.S. (Permanent Secretary of the Board of Agriculture and Fisheries), Called and Examined.

The witness handed in the following statement as his evidence-in-chief:—

1. The Board have no evidence to offer as to the main subject of the Commission's enquiry—the cost of production of the produce of the farm. The Board have but recently begun to farm themselves, and the few accounts they have compiled belong only to the later period of the war and contain elements of uncertainty through the lack of experience of the overhead charges that will be required. The experience of the Food Production Department in conducting ploughing, cultivating, threshing and similar operations is also of no value in this connection. It was war emergency work, organised under pressure of time and carried out by previously untrained men. Again, the farms taken over by County Executive Committees were from the circumstances of the case in such bad order and have been worked under such difficult conditions that the results obtained in the one or two years they have been in hand provide no evidence as to the normal costs of farming. I am, however, instructed to lay before the Commission a statement of the principle which the Corn Production Act was designed to carry out.

2. In the Corn Production Act it was not intended either that the guaranteed prices for wheat and oats should be the ruling prices or that the minimum rates fixed by the Agricultural Wages Board should be the actual wages paid. In both cases it was intended that figures thus legislatively fixed should represent certain minima necessary for the security of the workers and the farmers respectively. It was expected that the prevailing prices would be higher and would be determined in the one case by the world's markets and in the other by agreement between employers and employed.

3. The Board foresaw that the gravest difficulties would be experienced in fixing the actual prices to be paid for the varying produce of the farm under the extremely variable conditions of production which prevail in agriculture. The experience of the last two years has amply confirmed the Board's view that it is impossible for the State, except as a temporary measure under stress of war, to fix prices that will be fair as between producer and consumer, or between different classes of producers. On the other hand it is possible to take a broad view and say that the industry as a whole will remain profitable, provided the fluctuations of price are not allowed to go below certain limits which would just cover the average working costs.

4. Similarly the Board consider that Governmental action should be confined to fixing the minimum living wage below which a working man should not be compelled to sell his labour. This minimum should be subject to variation from time to time in accordance with the cost of living, but as a minimum living wage it should be independent of the profits as it must be of the losses of farming. As the profits of farming permit, it would be open to the men to obtain higher rates by bargaining with the employers, but these higher rates cannot claim legislative sanction. On the other hand, if the minimum rates should be such as the majority of farmers cannot pay it would be necessary for the State to raise the guarantees. To this extent the guaranteed prices are dependent on the minimum wage rates fixed by the Agricultural Wages Board.

5. The State, however, is only interested in two things—to maintain supplies and to enforce a wage in any industry that will provide for a decent standard of living. The State does not propose to interfere so as to secure any particular distribution of the profits of the industry, and has no basis of principle on which it can determine what wages or what prices *ought* to be. Were not the State driven to ensure supply, the State might abandon guarantees and view any downward movement of prices with indifference. On the other hand, having once secured the worker a minimum wage the State cannot agree to the use of the machinery of the Corn Production Act to raise that rate indefinitely, because every increase beyond a certain point would have to be met by increased guarantees of price.

6. The Board of Agriculture thus hold that the State is fulfilling its necessary function by providing

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through the Corn Production Act the security of a minimum wage and a minimum guarantee of prices, but that actual prices and wages must then be determined by the play of the market.

(*This concludes the evidence-in-chief.*)

7. *Chairman*: Sir Daniel has been kind enough to furnish a *précis* of evidence which he proposes to give. With your permission, I will take it that you have all read it, as you have it before you, and will not trouble to read it over, but invite questions.

8. *Sir William Ashley*: Sir Daniel, would you be good enough to expand a little the concluding words of the third paragraph? You say that: "The industry as a whole will remain profitable, provided the fluctuations of price are not allowed to go below certain limits which would just cover the average working costs"?—In one's own mind, one classifies the costs of a farm as rent—using that widely for the rent paid to the landlord, the rates, taxes, and outgoings of that description. Then labour, the labour outgoings per acre. Then, one has a series of charges which one usually calls tradesmen's bills—manure, feeding stuffs, and things of that description. You have repairs and renewals of all descriptions. Then you have your depreciation and interest upon capital. Those are the items on which I classify my farm expenditure.

9. That corresponds with the ordinary sense of costs in business; but I thought, from the course of your argument here, you were using "costs" in that sense which includes both interest on farmer's capital and profit of some magnitude to the farmer?—No. Not from the point of view that I was then considering. Suppose one came to the conclusion that the actual out-of-pocket expenditure over a term of years was in the neighbourhood of 60s. a quarter, then I say that the guarantee that we want to see under the Corn Production Act is not a guarantee that would have anything to do with profits or return upon capital, but is the kind of guarantee which would prevent losses when the market prices fell below that level. It does not obviate losses in certain years.

10. But if the object is to secure a profit, the farmer must receive something beyond cost as so defined, or else he obviously will not continue in business?—Exactly. I am not contemplating that particular guaranteed price to be the maximum price. I am only looking to it as the insurance of bad years. I am assuming that in the majority of years the natural market price is above that point, and that it is the prospect of those world market prices which keeps the man in the business, and which is the temptation to him to embark his capital and to have your guarantee to prevent the sort of thing that happened, say, in the early 'nineties of last century, when corn prices went down below any possible adjustment that the farmer could make to meet them. I am looking at these guaranteed prices as a kind of insurance against the knock-out blows, leaving the remuneration of the industry to be determined, not by them, but by the market price.

11. We will assume that we are bound. And you will leave the profit to be secured through the ordinary working of the market operations. If, of course, it were to prove that the world price could never get up to a profit basis, you would have to make your guarantee include the item of profit. Then in the next paragraph you say: "The State is only interested in two things, to maintain supplies and to enforce a wage in any industry that will provide for a decent standard of living," and so on. Do you intend to imply here "home produced" before the word "supplies"?—Certainly, in this case. I am assuming all along, and I think we take the assumption as the basis of the Corn Production Act, that the State is interested in maintaining the cultivation of the land, maintaining reasonably intensive agriculture in this country, with a reasonable extent of land under the plough, and maintaining supplies, in that sense a certain amount of home produced material; and to do that the State is willing to spend some money, if need be.

12. But I gather from previous reports in which you have participated, and from previous writings of your own, that beyond the general purpose of securing home supplies, you have a particular view as to what those home supplies should best be, have you not?—I would say that my own feeling is, and I think I might almost speak of the Board's policy in that sense, that in the time of peace we are anxious to have as much arable land as possible. That is the sort of supplies that we want. We want the land under arable cultivation. But whether, when you have got your land under arable cultivation, the particular farmer turned it to wheat, or turned it to catch-crops to feed dairy cows, I think we should wish to leave to the enterprise of the farmer himself. We are not concerned, as it were, to ensure that corn crops in particular should be grown. We are concerned to see that the land should be under the plough for that reason; and it is only if we have the land under the plough that we can grow the corn crops when the emergency, like the one we have just been through, comes. We must have corn crops in time of war; and it is only by having the land under the plough that we can secure the degree of employment upon the land that we think the land ought to give us to secure the population. You see, the thing which held us up during the last two or three years, when we wanted to grow as much corn as possible, was this; there was the land under grass ready to be ploughed up, but because it had been under grass for so long, there were not the horses, there were not the men, and there were not the ploughs, the houses, nor anything to enable us to put that land under the plough. We could not extend our corn acreage to meet the emergency in the way that we ought to have been able to do, owing to the fact that we had allowed the land to go back to grass, and we had not the other materials necessary to enable us to switch over to plough land quickly. If we had had the land under the plough, even though we had been growing fodder crops, we should have been in a different position with regard to growing corn.

13. Might I ask one very general question which I think will be in all our minds? The "interest of the State," as you use the phrase in this evidence, and in previous writings and reports, with which we are acquainted, is a phrase which is, of course, dictated primarily by the lessons of the war. But suppose, to take an extreme assumption, we could be sure that the last war had ended war, and that the League of Nations, or some other device, was able to secure us against war in future, could you then state to what extent, in your judgment, it would still be to the interest of the State to secure produce, and produce of a particular kind?—I have a very strong feeling that it is in the interest of the State to have people working upon the land—to have prosperous agriculture. I do not think the kind of countryside which has been adumbrated, where you have the towns carrying on manufactures, and the countryside entirely laid down to grass and to parks and sporting estates, is a desirable state of the community; and I would say that it is worth some labour and expense on the part of the State to avoid that state of things coming about. There, again, I would say it is to the interest of the State that the land should be productive.

14. *Dr. Douglas*: I should like to ask whether, in your main evidence, you mean to say that the prices and the wages indicated by the Corn Production Act bear no relation to each other?—You mean actually in the past that particular range of prices that was guaranteed under the existing Act, and that particular 25s. They were certainly not calculated with any reference to one another.

15. The price bore no relation to the guarantee of wages?—No, there was no attempt to correlate them.

16. Now the policy that you are laying before us, and the policy of the Corn Production Act, is that of increasing the area of cultivation, which means bringing into cultivation land that has not hitherto been cultivated?—Yes.

17. Or, at all events, that has not recently been cultivated. Was that land left out of cultivation because it was unprofitable to cultivate it?—It was considered, without doubt, unprofitable to cultivate it.

18. And therefore the production of crops on that land would be more costly to the producer than production from the land that has remained under cultivation?—Broadly speaking, that would be true. There might have been mistakes.

19. It might have been erroneously supposed to be unprofitable?—Yes; but, speaking broadly, it would be true.

20. Has that, on the whole, been borne out by the experience of the war, in which a good deal of land was brought under cultivation?—It is very difficult to decide. These war-time cultivations were often carried out without reference to profit and loss.

21. Prices were abnormal?—Prices were abnormal, and the length of time was too short. If you start to break up a rough old pasture, you hardly know from one year's results what are going to be the permanent results.

22. That is to say, you do not think we could yet argue from the financial results so far obtained from war cultivation, that the land brought under cultivation during the war would in itself be profitable to cultivate? The rotation has not passed through, and so on?—No, we have not seen enough time yet.

23. You could not argue from it?—No.

24. You put it to us that the policy in view in the Corn Production Act, and the policy that you advocate, is one of the general increase of cultivation without strict regard to whether the crop produced is always a corn crop or a crop of some other kind; that is to say, it need not be a crop produced for direct use as human food?—Yes.

25. So that from that point of view, the encouragement of greater tillage as a means to the general conduct of a farm would be just as consonant with that policy as the production of grain for selling off the farm?—Yes.

26. And that was the policy of the Corn Production Act, was it?—That was the intention: by adding certain crops that you would inevitably produce on the arable land, to give that arable land a security that it had not before.

27. All the guarantees of the Corn Production Act applied to the selected crops, whether those crops were grown for consumption on the farm or for sale off it, did they not?—Yes.

28. That policy appears to have been abandoned in the proposed amendment to the Corn Production Act, and a further guarantee has been given. I refer to the guarantee that was first given on November 20th of last year, regarding the prices of the 1919 cereal crop. In that case a differentiation is made between what is sold off the farm and what is grown for consumption on the farm. Is not that so?—The promise to which you refer was a war emergency promise regarding the prices of a particular crop.

29. That promise, as first given, was understood by those to whom it was given, to apply to the whole of the cereal crop produced, was it not?—I can hardly say what people understood by the promise.

30. Have you become aware that the persons concerned have represented that they did understand that promise to apply to the whole crop?—Are we discussing agricultural policy, or are we discussing the Government promise of last November?

31. I am trying to ascertain, in view of the balance sheet of to-morrow, whether the policy now in view is the same which has hitherto been pursued. I do not know whether that is relevant, but it seems to me to be so. Of course, if Sir Daniel Hall does not wish to answer the question, I am not going to press it?—I am willing to discuss the question to any length; but I do submit that the question of what the Government promised last November with regard to the purchase of this season's crop, and the way they are trying to carry out that promise, is what I might call a temporary individual occurrence which has nothing to do with policy at large. It was a question of an emergency promise, and had nothing to do with the Corn Production Act. The Corn Production Act has since been invoked to deal with it.

32. My suggestion was that the principle which you have described of encouraging equally production for the purpose of the farm, and production for sale off the farm, has been departed from in this new line of action; but I do not want to press the question if you do not wish to deal with it?—What I would say is this: the Government promised last November to purchase—it practically came to that—the cereal crops of this forthcoming harvest. For various reasons that became administratively not impossible, but at any rate very difficult; and a kind of modified Corn Production Act method was invoked as a means of carrying out that particular promise.

33. Or part of the promise?—You must really not dispute that point with me, but with the Government.

Dr. Douglas: If Sir Daniel Hall does not wish to deal with that point I do not wish to press it.

34. *Mr. Rea*: You say in paragraph 4 of your evidence-in-chief: "On the other hand, if the minimum rates should be such as the majority of farmers cannot pay, it would be necessary for the State to raise the guarantees." Do you contemplate a fixed minimum wage with fluctuating guarantees acording to the market prices and the other factors in the cost of production?—No. What I had in my mind was this. Supposing there was a general movement throughout the country which raised the minimum wage to a point at which farming could not be conducted, it seems to me that would be a reason for raising your guarantees. That would be an expensive production. You would have to take a higher level, under those conditions, for your guarantees.

35. Yes; but would not the demand for the higher wages probably be brought about by the higher cost of food and the higher expense of living generally, which would, of course, be an item in the cost of production as it related to prices?—Of course, guarantees under the Corn Production Act do not affect the cost of food at all, either plus or minus. For instance, wheat is sold in the open market at the world's prices. The extra remuneration, if those world's prices were below the guarantees, is paid directly from the Exchequer to the farmers. It does not affect the market price of the wheat.

36. No; but would you not in future expect that the wages minimum would fluctuate more or less in accordance with the cost of the grain produce and other things?—With the cost of food, certainly. It would be an item, it seems to me, upon which the minimum wage depends.

37. It would not be likely, for instance, that the price of wheat and other things should drop, and that wages would rise. The Government would not contemplate such a position as that?—Possibly; while the minimum rate must rise if the cost of food rises, it seems to me the minimum rate may also rise for other reasons, apart from the cost of food. There may come a point when the industry becomes unremunerative; and it will be for the State then to decide whether it will keep it going by raising the guarantee or not.

38. Have you considered whether there should be any relation, say, in the shape of a sliding scale, or something of that sort, between the wages and the prices of production?—I have never been able to see any possibility of drawing up such a sliding scale.

39. *Mr. Anker Simmons*: On the broad point of policy I take it that what you would be desirous of would be such a policy as would prevent a repetition of the disasters to agriculture such as took place between 1879 and 1900?—Yes.

40. So that the Government would ensure as far as possible that that could not recur?—Yes; that is what I want to see.

41. That was bad from every point of view, was it not?—It depopulated the country, wasted capital, and destroyed confidence.

42. Would you agree with me that wheat is the main crop which an arable farmer must look to?—In the part of England that I know best south of the Trent, I should say wheat is the mainstay of the monetary return of a mixed farm; but, of course, that is not true of Scotland or Wales, for example.

43. I am speaking, and shall always speak, of England, because my experience does not go outside England. I take it that the Scotsmen who question you would probably say that oats would be their main crop. But apart altogether from the question of its paying the farmer best, it is not so much that the wheat crop directly pays the farmer best as that the cultivation which is necessary in order to secure a good wheat crop lays the foundation of the other crops of barley and oats, which usually follow wheat crops. I mean that you must cultivate on a higher scale for a good wheat crop than you would for any other crop; and, therefore, if you do not cultivate on the high scale for wheat, you would not get as good a subsequent return for the crops which, in the ordinary rotation of cropping, follow the wheat crop?—At any rate, I would say this, that if you are cropping arable land over the greater part of England, the wheat crop is the first principal item in the rotation, the one to which perhaps more than anything else, you look for your money. I would not say that it wants higher or better cultivation than any of the other crops.

44. You were speaking just now about growing green crops for fodder. As a matter of general practice, those crops would be grown, would they not, after a corn crop, rather than on land which had been sufficiently prepared to grow wheat?—They would be part of the rotation. I mean you may look at your rotation either as starting with the wheat crop or as ending with it.

45. You say you have never yet found any scale which could be laid down whereby wages, and possibly rent, might be adjusted according to the value of the produce?—I would certainly not say that you can adjust wages in accordance with prices. I do not think that is possible. Rent is another story. I think you could adjust rent, indeed we do see a great number of rents adjusted according to the prices of produce.

46. Has there not always been some sort of ratio as between wages and the prices of produce?—Of course, the minimum wage was, as it were, a deliberate statement that a ratio of that kind could not be allowed to prevail, was it not: that there was a living wage to be fixed which must be independent of the fluctuations of the industry.

47. There I am with you: I mean to say, on a broad point of policy. What I want to get from you is not so much points of detail, but I want to be sure of what is in your mind as to the kind of policy that ought to be adopted in the future. Therefore, I gather you would lay it down that the labourer must be secure of a wage which will enable him to live in such a state as he ought to live in, having regard to the education which he gets and present-day conditions of life?—Yes.

48. And that if the market prices of the world are insufficient to enable the agriculturist or the tiller of the soil to pay that wage, then you would advocate a policy whereby the State stepped in and said: "Very well; we will guarantee you a price that, at any rate, will pay your expenses and enable you to pay that wage"?—Yes; I think that is what we would do.

49. Would you go further, and say that that price should be such a price as would afford the farmer a fair business commercial return for his capital and for his own labour?—If the time comes when none of the operations of agriculture could pay at the rates of wages, and you had to offer to the farmer State prices for his produce to keep him in business, then I think the situation requires a fresh consideration altogether as to what extent you will guarantee, and so on. I have never contemplated that state of affairs arriving, that the normal play of prices should be absolutely unremunerative to the farmer.

50. To throw the net a great deal wider, do you think it will be possible to enter into a conference with our Colonies, for example, the big wheat growing Colonies and the big wool producing Colonies, and see whether some mutual arrangement might be come to so that the Empire, instead of only the United Kingdom, could supply our wants on a basis which would more or less ensure a fair return for labour and capital?—It would be a very complicated problem to work out, would it not?

51. It sounds so, perhaps. But what I have in my mind is this: that the people might resent the State finding a big sum as a guarantee to the farmer if the operation were restricted entirely to the possibilities of the United Kingdom; whereas, possibly by a conference with our own Colonies, treating the matter on a much wider scale, it might be possible for us to produce the food which we require in this country by some arrangement with the Colonies, so as to avoid such a heavy charge falling upon the United Kingdom?—Yes; I can quite imagine a Canadian representative committee of that kind meeting in conference with us, saying: "Very good, you in England can drop growing wheat: we will take care of the wheat supply of the Empire"; and the Australians equally would undertake the wool supply of the Empire. But whether that sort of bargain would entirely please us at home, I do not know. I should be very sorry to have to take part in a conference of the kind, and to press the claims of the home country against our colonial friends as to what share we should have in the pool of production.

52. That is taking it rather far; because I think you would agree, in face of the warning we have had during this war—and, I take it, no man imagines we are never going to have another war—you would not favour a policy which would be likely to place this country in danger of starvation as regards cereals. I mean, the policy you would advocate would be one whereby as much arable land as possible was cultivated, not only because of the value of the crop, but also because of the extra employment of labour?—Exactly. I want to see as much arable land as possible.

53. Therefore, you would admit that the interests of labour and the interests of the farmer are practically identical?—In that sense, yes.

54. *Mr. Overman*: I am afraid I must go back to this very controversial Act, the Corn Production Act, and ask you again what I believe Dr. Douglas touched upon. In fixing the minimum prices of cereals which were fixed under the Corn Production Act at 60s., 55s., and 45s. for wheat, and 38s. 6d., 32s., and 24s. for oats, was the figure fixed as the minimum wage, namely, 25s. arrived at by taking into consideration the cost of production?—I should say, looking back at my remembrance of dealing with it at the time, that there was no attempt to calculate, as it were, what relationship, if any, they had with one another. The 25s. was at the time the minimum rate which was fixed by the then Head of the Ministry of National Service. They had laid down for men they recruited that 25s. was the minimum rate that should be paid, and that 25s. was a figure taken because it was the one governing figure prevailing at the time. If I remember rightly, the only evidence that had been given on the point of what a minimum wage for an agricultural labourer should be, was some evidence before the Milner Committee, of which I was a member, where a minimum wage of £1 a week was then asked for; that was in 1915.

55. Then I can take it that the figures in the Corn Production Act have no relation at all to the 25s. fixed?—No; they were not calculated on what

you might call any attempt to put on a scientific basis the relationship of one thing with another.

56. I ask these questions because I thought surely it was arrived at with some consideration for the cost of production, and I thought possibly you might have been able to give us figures from the Board on which you arrived at these calculations which would be very useful?—No. I can say at once that there was no attempt to correlate those two figures. Twenty-five shillings was the rate which it was considered then necessary to pay. You could not fix a minimum below that. The other figures were based upon the demands of farmers as to what they thought farming could be made to pay at. We had a good deal of evidence on that point.

57. You had then some evidence for fixing the prices under the Corn Production Act?—Of course, as you know very well, there had been many representations on the part of farmers both as to what should be the guarantee which would be necessary from right at the beginning of the war, that is, recommendations made to the Advisory Committee of the Board of Agriculture, and then there were recommendations made by the Milner Committee of, I think, then 40s., and so on.

58. Yes; but when those recommendations were made, from my memory I take it that we did not in the least know what the minimum wage was going to be fixed at, because the Corn Production Act was not out. Did we?—No.

59. So that the farmer was not suggesting the prices fixed, knowing he had to pay 25s.?—Of course, 25s. was, even at the time it was fixed, well below the rate of wage which was being paid in many districts.

60. *Mr. Batchelor*: Is it your view that if guaranteed cereal prices were necessary for the future these should be on the same basis as those under the Corn Production Act, or whether they should be on the lines of what you have called to-day the emergency promise of November last?—On the same basis, do you mean?

61. Yes, on the same basis as regards the four times the quantity of wheat per quarter, and five times in the case of oats; or whether they should be on the lines of the emergency promise of November, which, of course, is different, particularly in regard to oats?—Of course, as far as the permanent policy of the future goes, the guarantee must be on the average of the whole crop.

62. *Mr. Ashby*: At the end of your third paragraph you say that: "It is possible to take a broad view and say that the industry as a whole will remain profitable, provided the fluctuations of price are not allowed to go below certain limits," &c. Do you mean prices of cereals only?—Yes, prices of cereals only in that case. I would say that cereals is the item you use for your weighting.

63. You will probably remember the Inquiry as to the agricultural output of 1907?—Yes.

64. It was shown there, I think, in round figures that the total receipts of farm produce are not more than about 25 per cent. from cereal crops. And when the Agricultural Wages Board made its Inquiry last year, it found on a number of big farms all over 300 acres, with an average of over 300 acres for the lot, that in those cases also the returns from cereal sales amounted to just about 26 per cent. of the total receipts. Do you think it is possible to guarantee a price of, say, 26 per cent. of the farm produce, and that that can materially affect the whole of the farming results of England and Wales?—Certainly, in this sense; though perhaps this comparatively small fraction of the total receipts from agriculture is derived from cereals sold off the farm, it is those cereals which are the things subject to competition, foreign competition. We make our own milk market; we have that entirely to ourselves. The farmer can charge his own price in the end, and will have to be paid the price which keeps him in business. Therefore you may rule that out. There is no foreign competition to cut you there, and the industry will adapt itself to the magnitude of the demand. To a certain extent that is also true of meat. Though you have a considerable amount of foreign competition in meat no doubt marking down the price to a certain extent, the English Meat Market is naturally protected and self-contained to a certain degree. The same would be true of some other items of farm produce, but it is in the cereals in particular that we get the big pressure of foreign competition; and, of course, as you know, in the depression it was the cereal growing farms which suffered. The milk growing and meat producing farms kept afloat.

65. Following that up, I suppose you would be aware that if you take the agricultural statistics and take the lowest group of holdings, you have the smallest proportion of arable and the largest proportion of pasture, and as you get into the biggest group of holdings, you have the highest proportion of arable and the smallest proportion, comparatively speaking, of pasture lands?—You mean groupings by size?

66. Yes. You would therefore agree that the guarantee of cereal prices is of far more importance to the large farmer than to the small farmer, and the importance very largely varies with the size of the farm?—I would like to turn that proposition over a little bit to see how it looks from various sides before one quite agreed with it. It is quite true, of course, that the corn growing farms are in the main large farms. The small farmers, that is, men with 50 acres or under, are very little concerned with corn growing, so it would be true in that sense. But there are certain large areas such as the chalk area in particular, which are only suitable for corn growing on a large size, and that is where the biggest single farms in the country occur.

67. But you agree that it is broadly true that the importance of the guaranteed price varies with the size of the farm?—No. I would not agree to that as a general proposition—as a necessary proposition. I simply agree to it as a statement of the particular conditions under which the country is farmed.

68. I am sorry I have not the figures. I have worked them out before. But granted that it is true that the importance of the cereal products of the farm varies directly with the size of the farm, then it must follow that the importance of the guarantee varies directly with the size of the farm?—I would say it is not a necessary deduction, the size of the farm. It is a necessary deduction of the circumstances under which men do hold their land. What happens, of course, is this: The man with 20 acres of land, for example, cannot live on the corn that comes off it, and therefore he has to take to some other form of cultivation.

69. I think there is not much difference?—But your question seemed to put it as a necessity.

70-1. In the last paragraph but one of your *précis* of evidence you say the State is only interested in two things: one is to maintain supplies. You are probably quite conversant with the report of the Royal Society's Committee on Food Supplies to the United Kingdom. In Thompson's estimate there, if you take the total weight of food consumed in the United Kingdom, and the total weight of the cereals consumed, you will find the total weight of cereals is about 10 per cent. of the total food consumed, and about one-fifth of that 10 per cent., namely 2 per cent., is English grown cereals. Do you seriously suggest that guaranteed prices which only affect about 2 per cent. of the total weight of food consumed seriously affect the total supply of food to the United Kingdom?—I should like to verify those figures.

72. I have Thompson's Report here?—May I look at it? (*Report handed to Witness.*) If I turn to the table, I find a summary that the cereals account for 17 million calories out of a total of 56 millions, which is rather more than 10 per cent.

73. I was speaking of the total weight. But if you look at those and compare home supply and imported supply, you will find, I think, that the calory value of the home supply of cereals represents only about 10 per cent. of the total supply of calory value for the whole of the population?—We have

cereals, 3.7 million calories out of a total home production of 21.2 million calories. That is more than 2 per cent.

74. I am speaking of the total supply of food to the United Kingdom, which is the column to the right?—Home production was about 42 per cent. in calories. Of course, if you whittle it, you can represent anything that we produce as negligible. That is a perfectly consistent argument. You can take the line, if you like, that British agriculture and the food it produces is negligible, and ought to be written off; but that is not our line at the Board of Agriculture, nor the policy that I stand for.

75. No; I do not wish to whittle it off. I just wish to state the facts as near as I can state them in round figures, and that is roughly the position: that of the total weight of food consumed we produce in cereals about 2 per cent., and of the total energy value of the food we consume we produce in cereals roughly about 7 per cent. The question was whether by guaranteeing prices for that 7 per cent. you did seriously affect the total supply of food to the United Kingdom?—I wish you could turn it into cash returns to the typical farm. I think we could get a better idea of how far the price of cereals is going to affect farming from that than from considering what fraction it bears to the total supply of food to the country.

76. In paragraph 4 of your *précis* you use the phrase "The minimum living wage." Would you define that from the Board of Agriculture point of view?—I cannot define it. I think we should all agree that it cannot be defined.

77. You would not suggest that the minimum wage fixed by the Agricultural Wages Board this spring has exceeded what could be defined as a minimum living wage?—No; I certainly should not myself make the suggestion.

78. You agree with Mr. Anker Simmons that the depression in prices between 1885 and, say, 1907 depopulated the country?—Yes, in certain districts.

79. You would agree, I suppose, that the greatest amount of depopulation both as regards total numbers and as regards the proportion of the rural population occurred between 1851 and 1861, and 1861 and 1871, at a time when the amount of arable land was increasing and when British agriculture was exceedingly prosperous?—You mean that the fall in the rural population was greater between 1861 and 1871 than between 1871 and 1881?

80. Yes; or between 1881 and 1891?—I must take your word for that. I do not know the figures of the population during that time.

81. That is the case. The point I want to bring out is this, that it was not only prices, but certain changes were being made in methods of production which called for less manual labour?—Yes, there was no doubt that that process was and is going on, economy in the production. The reaper and binder alone has enabled the corn land to be farmed with fewer men.

82. And that partly accounted for the depopulation?—The point I rather wanted to make was this, that while that process was going on, the introduction of machinery which called for less hands on the farm, there was no temptation to the farmer to more intensive production which would have occupied the same number of hands.

83. Yes, I agee; but do not you think that it was inevitable that there should be some depopulation of rural England during that period even if prices had been maintained?—Yes, I think there would have been a reduction, but there would not have been the wholesale laying down of certain areas to grass.

84. *Mr. Cautley*: I understood you to say that you considered the war had shown that we ought to have in this country as much arable cultivation as possible?—I think the war brought home to us the necessity of it.

85. Would you also agree that to make good manpower, whether for soldiers or for an industrial army, we should also have as large an arable population as possible?—I believe in the value of the rural population as an element.

86. Whether it is to make good the wastage of the towns or the wastage in armies?—Yes.

87. Could you tell us how many more men are employed on arable land than on grass land?—Arable land would employ from 3 to 4, say 4 men, per 100 acres, and the grass farm about one. It depends. You may get a grass farm where there is one man to 500 acres or one man to 200 acres.

88. And a more intense cultivation and better cultivation of arable land, the more men could be employed and greater production could be obtained. Do you agree with that?—On the very best arable farms that I am acquainted with, and I am speaking before the war, as, for instance, some farms in the East Lothians and some of the Fen farms, you would rise to 5 or 6 men per 100 acres. Then, of course, when you come to fruit and market gardening, you get a man to 5 acres.

89. Should I be also right in saying that you can produce milk better on arable land than you can on grass land?—You can make sure on arable farming of an even supply throughout the year, which you cannot do on grass.

90. Therefore, for every reason, it is desirable to have as much arable cultivation as possible?—Yes.

91. You have to ensure having workmen?—Yes.

92. Therefore, the first problem is, is it not, to see that the men are paid as well as the industry can afford to pay them: do you agree with that?—I do not think I can accept your limitation. I mean you must pay the men to compete with other industries.

93. I will not say the industry then. Shall I say as well as this country can afford?—Yes.

94. The better the wage, the more contented the man, I take it: would that be so?—Certainly—in the end.

95. To get these men is not it desirable that the agricultural wage should be more proportionate to that which it is in the towns?—Yes.

96. Are you quite sure that good wages increase production?—Certainly—in the end.

97. I am not sure that the miners' results have shown it, but you think it does?—It does. My own experience would be that sometimes you have a little temporary set-back as the first effect of increasing wages.

98. Was it from that point of view, to get the men on to the land and to make them contented and more productive, that the minimum wage was fixed in the Corn Production Act?—It was the feeling that that was necessary to secure the position of labour.

99. And in that Act for the first time in any big industry, at any rate, the wage was to be fixed quite independently of the selling price of the articles produced by the workman?—Yes, that was so.

100. That is a new principle in this country, at any rate?—Yes, as far as any big industry goes.

101. I am speaking of a big industry. I am not speaking of sweating trades?—Yes, that is so in a big industry.

102. Then does not it follow that if you fix the wages independently of the selling price of the article there must come a time some time or other when the industry cannot pay the wages?—That would be so, or certain parts of the industry.

103. The result would then follow, would it not, that the employer will go out of business?—Yes.

104. But he would be put out of business by the action of the State?—He would.

105. In fixing the wage independently of the cost of production and independently of the selling price?—Yes.

106. Therefore, I think you will agree with me that it is a State's duty to take some steps to see that the employer is kept in business?—If the State thinks that the business is one to keep him in, yes.

107. Otherwise, industry goes?—Yes exactly.

108. Was it from that point of view that the principle of the guarantee was inserted in the Corn Production Act?—It was.

109. Yet you have told me that the prices fixed by that guarantee had no reference to the cost of production?—They were not calculated one with reference to the other; there was no attempt to balance them off.

110. Then, so far as the original prices were concerned, they were mere guesswork?—Guesswork in the sense that they were derived from the practice of the industry at the time. The only thing existing to guide us was what had been the prices at which farming before the war was managing to keep its head above water. We know that farming had been reasonably prosperous for five years before the war at a certain scale of prices; we had those two sets of figures before us.

111. So that assuming that the method of fixing wages is the best that can be designed according to the Corn Production Act, the sole question remaining, in your view, is whether the guarantees are sufficient?—Yes.

112. Have you considered at all whether there is any other principle to make good to the employers except by guarantee?—If you mean duties, we will say——

113. I was not thinking of any. I am asking you for information. Have you or the Board of Agriculture anything?—I think we have reviewed a good many possibilities as to payment to the producers, and we adopted the guarantee as the one that, on the whole, was the soundest and interfered least with the industry and least with the normal play of the market.

114. Then I take it that you have no other proposition to put before us to-day, except the one of guarantee?—No.

115. And, so far as you are concerned, the whole question is whether the guarantee is sufficient?—Yes.

116. Why do you fix only a guarantee for cereals?—For the reason I think I have explained, that it was in cereals that foreign competition is felt.

117. You mean the price of English cereals and the cost of production had nothing to do with the market price?—No, nothing at all. The price was fixed in Chicago.

118. What I want to know is, how can fixing the price of cereals to the grower in England be any assistance to the grazier, for instance, the grass cattle or sheep farmer?—We consider that he has pretty well his market to himself.

119. Is not the beef and mutton market equally controlled by the foreign supplies?—Not to anything like the same extent.

120. But surely? I am not speaking of now, but surely the price in normal times is fixed entirely by the foreign imports, is not it?—I should not have thought so. We had about one-half of the meat trade, and our prices were above the prices of the imported stuff. It is quite true that they were kept down to a certain extent.

121. How can the guarantee to the corn grower next door—a payment to him—assist the grazier, who simply has to buy grain and yet has to pay the increased wages?—What I would say is this—that the grazier is not necessarily next door; very often the grazier who is producing the beef is also the corn grower. We were not particularly concerned with the pure grass farmer; we were not trying by the Corn Production Act to benefit the pure grass farmer.

122. Then you would agree with me that he does not get as much benefit as the corn grower?—Certainly not.

123. Then let us take the dairy farmer; what advantage does he get from the guarantees?—None; he is not meant to.

124. But that is a very large trade, is it not?—There again, as I have already said, the English farmer has the milk market entirely to himself.

125. What benefit does the market gardener get?—He has his market pretty well to himself.

126. You mean to say he can recoup himself by putting up the price?—Yes, by putting up the price.

127. And, I suppose, as to the fruit grower, you say the same?—In the main, yes.

128. Under the Wages Board, the wages have to be fixed by the employers and the employed, have not they?—Yes.

129. And they are unlimited in the amount which can be fixed under the Act?—In theory, I suppose an unlimited wage can be fixed.

130. The loss would have to be paid by the guarantee?—The guarantee has to be verified by Parliament.

131. Exactly; and therefore the only limit is by the guarantee. Is that the best arrangement, do you think, that the employer and the employed shall agree amongst themselves to put up the rate of wages, for instance, and leave the taxpayer to pay it?—No; and that was certainly not the intention.

132. But is not it likely to work out in that way?—No, I do not think it is.

133. The workman has no inducement to keep it down and what inducement has the farmer?—By the fact that if he wants a higher guarantee he has to go and prove his case to Parliament.

134. No. The guarantee has to be fixed by Parliament, I understand?—Suppose the employers and the employed upon the Wages Board at the present time arrived at an agreement amongst themselves to pay £10 a week?

135. We will not say anything absurd?—But does not that dominate the situation? People would not do things which are absurd, and your claim is that the parties may conspire to bleed the State.

136. I do not say to conspire, but their mutual agreement is the result of calling upon the State to pay, is not it?—Well, the State will refuse to pay at a certain point.

137. That is the only thing you can say; that is the only protection that the State has?—That is so; but you see, as I tried to make out in my evidence, we never conceived that this Wages Board would be fixing rates of wages. We conceived that it would fix a minimum, which is to be a minimum—the wage any decent man ought to have in the country; but it is not concerned to fix the actual rate of wages.

138. But you are aware, are you not that in very many wages the minimum becomes the maximum?—That may be true about prices, that the maximum may become the minimum, but I do not think it follows in this case of wages. I think you can still have before your mind a possible action of the State fixing a minimum rate of wage of all the men in the country.

139. I agree with you that that is what the Act says; we are starting on that basis; but is not it the fact, as to the wages now being asked for under the Wages Boards, that the better class workman complains that he is put on a par with the worst and least competent workman?—No, I have not heard that complaint myself among farm employees. I do not see any more differentiation or any less differentiation in the wages on individual farms to-day than before; it was a great complaint before the Wages Board.

140. And I suggest that it is greater now?—When the flat rate of wages prevailed, there was great complaint.

141. You agree with me that the skilled agricultural labourer is a very highly skilled man?—Yes.

142. And an ordinary labourer would not be a skilled man?—He may be very indifferent; there are enormous variations in quality.

143. Leaving it there for a moment, I would only ask you this: If you get a minimum rate of wages fixed, I take it that at the present rate that cannot

equally be paid by the bad land, the medium land and the good land in the same way, can it?—I think so. I think the method of dealing with the bad land and good land must be varied, but I do not see that you can vary your rate of wages according to the style of the land. It would be so if you were forced to cultivate all the land alike.

144. What I suggest to you is that where you attempted either a flat rate of wages or one minimum wage for all parts of the country, you would invariably have bad land which cannot afford to pay it, and medium land which may or may not be able to, and the good land can pay it. Does this guarantee make any provision for that?—I should not agree with you that it follows.

145. I suppose you would agree, would you not that very heavy clay land is less productive and much more costly to work and produces less?—The style of land dictates the type of cultivation. If we are to apply, say, a four-course rotation to each of these classes of land the good, the medium, and the bad, then on the style of cultivation the wages paid may render one unremunerative and the other remunerative. But there is another factor that usually provides for these differences in quality and that is the factor of rent.

146. But you do not suggest that the rent makes good the deficiency. Take the land, say, in the Holbeach District of Lincolnshire, and compare that with the yellow clays of Sussex: do you suggest that there is any comparison with the yield that can be got from them in the difference of rent?—No.

147. Take that blowy, dusty land in Suffolk: do you suggest that could pay the minimum wages with the present guarantees?—It certainly can, I think, if it is properly handled.

148. You still think it can?—I think so. I think you have to devise a method of handling each of these soils, taking it as your condition that you have to pay a given rate of wage.

149. I suggest to you that your system of guarantees provided by the Act does not meet these wide differences in the character of the land?—I might agree to that as regards the prices of the produce, but I do not agree to it as regards the variation in the minimum wage.

150. I am speaking of the guarantee. I am putting it to you that you cannot grow enough on the bad land to pay the minimum wages even as now fixed?—It is quite true that there may be land which we cannot keep under cultivation under any system of farming that we adopt.

151. That is what I am coming to. Have you considered at all if you go so far with me where that line is to be drawn, and what land is to go out of cultivation and what not?—You mean, has one drawn a map of the country?

152. Yes; or as to the character of the land. Put it in this way: You have told me that a guarantee of 45s. is a pure guess. That is what I understood you to say?—No, I do not think I would admit that for a moment. I said that the 45s. was founded upon the prices of wheat which had been made, say, for five years before the war. Take it roughly as an average of 35s. From the increased rates of expenditure that we saw to be in sight, 45s. was put down as likely to meet those increased costs.

153. I do not think we do ourselves justice. The cost of 45s. was fixed in 1917 for the price of wheat in 1920, so that it must have been pretty well a guess?—One was guessing in a sense then, because we knew nothing about the trend of prices or what the consequences of the war would be, but the general presumption which prevailed at that time was that prices would begin to come down again. You might say that all those prices which were put down were rendered ridiculous by the trend of events. All prices of production have been rendered ridiculous.

154. If you object to my word "guess," I will say if you fixed the guarantee for the future, whether it is to be the same as now or more, have you at all considered what the datum line is of the land which is to be allowed to go out of cultivation. You and I are agreed that it is desirable to keep as much in cultivation as we can, but to keep it all in cultivation I think we may assume, whatever the price, it will require some guarantee to be paid? We shall have to keep that acreage or the increased acreage or the 1872 acreage, we will say, and that would require, we will say, a certain level of prices.

155. To keep in cultivation the land that has recently been ploughed up would require a higher level of prices?—Yes.

156. Have you considered at all what level we ought to keep in the interests of the State?—What level of cultivation?

157. Yes?—We have always said we want to go back at least to 1872.

158. You have in mind 1872, but you let the other go which has been ploughed up recently?—1872 would mean more; the level is much higher; it would add 4,000,000 to the arable acreage of the year 1915.

159. So you take the view that we ought to get back to that?—Yes; that is what we are deliberately hoping to try and do.

159*a*. I suggest to you that even with the present minimum wages that will mean a large guarantee which would be an effective guarantee?—Is not that the question which this Commission is asked to settle?

159*b*. Yes, quite right; and I am asking you if you have any information to give me?—I cannot give you any calculation on that point. As I say, the Board have no figures which are really germane to the point.

160. *Mr. Dallas*: Just to follow the argument you have been dealing with up to this moment; supposing a price was fixed that would make it profitable to cultivate the bad lands; is it a reasonable assumption that the profit would be a very large one on the rich lands?—It is—unless the rent were adjusted.

161. You suggested that the Agricultural Wages Board was the first body that has fixed a legal minimum wage irrespective of prices or costs. For instance, I think it was fixed with regard to the miners in 1911; the Government fixed a wage for them irrespective of selling prices, cost, or anything else?—I knew of the existence of Trades Boards in certain instances.

162. You remember the big Miners' Strike; following that Miners' Strike the Government introduced a Bill by which, I think, the figure of 5s. and 2s. was fixed. It fixed the datum wage for miners?—Yes.

163. Are you aware that it is the policy of the Government at the moment, apart from your Department, to set up Trade Boards in as many trades as possible? For instance, during the past three months a large number of Trade Boards have been set up or are in the process of being set up?—Do you mean Trade Boards in the technical sense, or Whitley Councils?

164. No. There are two policies. There is one Government Department organising Whitley Councils and another Government Department at the moment organising Trade Boards, which are altogether distinct. The latter fix wages, and have legal sanction in the same way exactly as the wages fixed by the Agricultural Wages Board?—Yes; I know the extent of the movement that is going on.

165. I should like to go back to this question of the 25s. The guaranteed prices were fixed and were agreed upon by the representatives of the farmers' organisations. When the guaranteed prices were put in the Bill they were consulted, were they not?—I do not recall any consultation on those figures, but I speak under correction.

166. Would you be surprised if the official Journal of the National Farmers' Union at the time stated that the 25s. put in the Bill was a bargain between the farmers and the Government?—I am surprised to hear it.

167. I understand also that Sir F. E. Smith, as he then was, stated in a Debate in the House of Commons that that was so. I can assure you that in the "Mark Lane Express" of that period there is a statement by one writer to the effect that the

25s. was a bargain between the farmers and the Government. You remember that was stated to be the case when the Labour Party desired to get 30s.?—I think I can assure you that there was no bargaining and no consultation of that kind.

168. I will get the "Farmers' Union Journal" later. You are quite familiar with the composition of the Agricultural Wages Board, are not you?—Yes.

169. You know that it is not composed entirely of representatives of the employers in that industry and of the labourers?—There are 7 appointed members.

170. And, as you know, the 7 appointed members have a very large say in the determination of the wages?—I suppose they act as peacemakers and bring the others together sometimes.

171. No. My point is that that is a safeguard to the community in that both sides have to state their case, and the 7 appointed members act very largely as the jury and the judge also, both sides having to prove their case before they can get a decision or judgment?—Yes. I agree that was the idea of it.

172. Therefore, it is not very likely that a Board composed in that way would fix minimum rates of wages beyond which the industry could afford to pay?—There comes a point at which the people in the industry can, as it were, settle alone what they can pay.

173. But I want to say that the people in the industry have the opportunity of stating their case?—Yes.

174. And, after all, the Wages Board is of the nature of a judicial bench?—The point I wished to make in my evidence-in-chief was this, that I do say there is a point when a body of farmers have a right to say: "You are imposing a rate of wages upon us that we refuse to pay and cannot pay;" and in such a case they ought not to have to oppose what is actually the law. I do not want these men if they get to the point of striking against the rate of wages, to be then striking against the law; just as, on the men's side, if you want to insist upon a rate of wages that has not been awarded by the Board, and you strike to obtain it, you do not want to be made outlaws by the act of striking. That is where I conceive the position of the Wages Board comes in, in laying down a minimum rather than the actual rate of wage.

175. You are aware, of course, that the Wages Board takes into consideration local circumstances and does not fix one uniform rate of wages for the country?—Yes.

176. For example, in the immediate neighbourhood of London, say, in Kent, Essex, Surrey, Berkshire—the Home Counties—there is a different minimum in almost every one of those counties?—Yes.

177. Would you agree that the workers in the agricultural industry have a right to a wage that will enable them to live in decency and comfort?—Certainly.

178. Even if the cost of living should not rise, would there not be room for even a higher wage before that point was reached?—Than the present rate?

179. Yes?—I would not like to express my opinion. I do not think we at the Board have any opinion as to what is the right wage.

180. I do not want you to give any figures, and I do not suggest that you should give any; but I would suggest that the present minimum rates are not rates that allow of an ordinary working man, an agricultural labourer, doing justice to himself, his wife and his family, and that therefore even if the cost of living should not rise, there should still be an opportunity for his wage going a bit higher?—I would simply say this: Are you persuaded that the Agricultural Wages Board have got a minimum wage in existence which represents a decent minimum living wage? If not you may persuade them that the existing wage ought to be altered, and that the agricultural labourer ought to have a higher wage; but are you or are you not satisfied that a security wage has been arrived at?

181. Just one final question. What protection is given to the nation by the fixing of any guarantee? For instance, if farmers and employees know there is a certain definite guarantee on their produce, what guarantee has the community that you are not subsidising inefficiency?—I think you would be right if these guarantees were meant to fix the prices, but you see that is what I want to avoid. I think if you attempt to fix year by year, as some people claim, the prices of wheat, the prices of milk, and so forth, you are then in the difficult position of not knowing whether you are subsidising indifferent methods of management, indolence, and so forth. I see all those difficulties in fixing the prices. But we claim that the guarantees in the Corn Production Act should not be the actual prices, but something below the average run of prices; something that would just provide a minimum of security should there be a run of bad seasons or of competitive prices, and would prevent the farmer's capital being depleted. In farming you expect ups and downs.

182. *Mr. Duncan*: Then I take it that the reply you have just given is based on the idea that, normally, prices in farming will be remunerative?—I think so. I think we must get our farming based upon realities.

183. And that this method you are proposing is simply to guarantee the cost of production, eliminating return on capital or provision for depreciation?—I do not see how you can have any prices guaranteeing cost of production, because A's cost of production is entirely different from B's. I can only see a certain level, round about the average costs of production, which will keep people in the business.

184. For that purpose you arrive at a rough figure which will have the effect of keeping land in cultivation which otherwise would go out of cultivation?—Yes, that is what I want.

185. And would therefore be based on the cost of production of the least profitable land?—Yes, as judged by the average level which keeps people going.

186. So that even in these exceptional years when the price falls, the guaranteed price would actually guarantee more than the cost of production to a proportion of farmers?—Yes, certainly it would. On highly favourable land, of course, the costs of production run down to something comparatively small.

187. So that, normally, agriculture would be left with its profit during the years when prices were remunerative, and a proportion of the corn farmers would be left with profits when prices are not remunerative on the poorer class of land. These facts are not to be taken into account in fixing a guaranteed price?—I think they would be taken into account in the process of finding the level, as it were, which will induce a certain area of farming. If you take, say, the 5 years prior to the war, that is 1909 to 1913, you then had a certain area of arable land being maintained, or rather it was not being maintained, for it was actually shrinking. You might say that the 35s. level that we had then was clearly under those conditions not quite good enough; it probably was good enough, but men had not quite tumbled to the fact.

188. Will you take the statement in the last sentence in paragraph 3 of your evidence-in-chief, which statement does not quite square with your answer you have now given?—No; it can be read not to. I am trying to suggest there that this protection should not do more than on the average—you can only take these things on the average and only on the broad issue—pay expenses. I would not ask for more.

189. What I want to get at is whether the guaranteed price is to guarantee a farmer against actual loss, or whether in fixing it the profits he may be making over any period are taken into account?—It is to guarantee him against loss over an average of seasons.

190. How then will you arrive at the average working costs?—In the first place, on the broad issue whether or not men keep in the industry or not at a certain level of prices. That, I take it, is one guide as to whether the industry is paying or not. Then, of course, as any system of State guarantees has got to be founded on more exact figures, I hope we shall in the future have at our disposal a great many more figures as to the working expenses of farms in the different divisions.

191. But you are dealing with wages as one of the main items of working costs?—Yes.

192. How are you to arrive at the average working costs without taking into account the remuneration of labour?—You mean the labour might go up after you have fixed your guarantees?

193. Yes?—Of course, you cannot take that into account.

194. In your view then the guarantee of price for produce will not take into account any attempt at adjusting a balance between the prices of commodities and the remuneration of labour?—If you offer guarantees for certain years ahead, you have to base them on certain hypotheses, and labour is one of those hypotheses. You have to estimate what it is likely to be. Your calculation may be upset by the rates being raised.

195. You do not think it is possible to adjust prices and the remuneration of labour?—No; my conception is certainly not that of adjusting between the two any more than I should want to scale labour down below the minimum if prices were not remunerative.

196. *Mr. Edwards*: You have already explained to us that the principle adopted by the Board is the guaranteeing of prices. In answering the question just now, you spoke about good and bad land. You said that good land would be in a better position unless the rent—those are the only words you said?—We have always been brought up to believe that rent represents the margin between the cost of production, including the profit at which the farmer is willing to work it, and what the land is capable of doing, and that the very good land will fetch a rent to correspond. We know that it is not absolutely true; but, in theory, the farmer ought to get the same return on poor land as on good land; that is, the same return to himself. The owner of the land will absorb the margin.

197. Does it not follow, then, that really the value of the guarantee is to the owner of the land and not to the farmer?—It is, to a certain extent. We are assuming that the rents are going to remain the same, we will say, or thereabouts.

198. Has the Board any data as to the tendency of the rents at the present moment, because a guarantee principle has now been in vogue for some years? Has the Board any figures to enable us to conclude who is really benefited by the guarantee?—You see, although these guarantees have been in being for three years, they have not been operative. The actual market price has been a long way above any guarantees, so that the guarantees, at any rate, cannot have touched the question of rent.

199. But has the Board any data as to the tendency of what I may call the rent which the farmer, that is, the man operating the land, has to pay?—This is, perhaps, not particularly germane, but the point that we see is this: at the present time the difficulty is that of getting rents adjusted to the change in the capital value of the land. We have at the present time the curious spectacle of, say, land that is selling at £50 an acre only producing a gross rent of £1 an acre. That is the difficulty we are in with regard to the purchase of land for settlement purposes. So that, as far as we can see, rents have not risen anything like the capital values of land.

200. But are you not aware, and has not the Board noted the silent revolution that is taking place in the land system of this country now?—You mean the change of ownership?

201. Yes?—Well, it is hardly silent.

202. You see, we are meeting, as the Chairman has put it, to make a balance sheet, and what I want to get is the data. I should like to know whether the Board, as the authority handling these questions, can supply us with any figures as to this great change which has taken place, and its economic effect on the industry in the future?—As to the amount of land which has changed hands, do you mean?

203. Yes, and as to prices and things like that?—We, doubtless, could provide some evidence as to changes in prices which have taken place, but I do not think we have any actual data as to the amount of land sales.

204. You are aware, because you have said already that the Board recognise the fact, that the present prices paid for land are alarming. These are your words: "The Board view with great alarm the immense appreciation in land at the present time"?—In certain classes of land, yes.

205. You say here that the rent, taxes, and rates are items that have to be taken into account, and I presume the interest farmers have to pay for the purchase money will be reckoned in the same way? That is what rather alarms one.

206. As to the future prospects of the industry, you say in your third paragraph that the State is interested in two things: The maintaining of supplies and the enforcing of a wage which will provide for a decent standard of living. I presume the Board has never been satisfied with maintaining the supplies. You have in view the increasing of the supplies?—Yes; I think "maintain" is used rather loosely in that sense. It means to maintain the supplies which the nation needs.

207. The Prime Minister spoke, not long since, about the security of capital. Has the Board any data to give us as to the effect on the operator of the insecurity to which his capital is at present exposed? You see the land is on sale, and we have here Mr. Frank Lloyd, one of the biggest auctioneers, who says the whole of Cheshire will be sold in a few years. That being so, I think you will admit that a good deal of the capital of the operator is in a very insecure position. Has the Board any views on the effect of that on the operator, both at present and the likely effect in the future?—I cannot say that we have any evidence. My own opinion is that the operator is not thinking of the risks to his capital in the business as much as he is thinking of the risks of future prices. That is what is holding him up from developing his farm. He does not feel any security about a continuance of the prosperity of the industry. That has been one of the chief reasons why we suggest a guarantee.

208. So in your opinion, representing the Board, taking my own case, for instance, the fact that I can receive notice to quit and be compelled either to buy my farm or to pay an increase of rent, or find another farm in another part of the country, has no effect whatever on the development of the industry?—I certainly would not say that at all, that it has no effect: but I do not see from the evidence before me of complaints that it is the big factor in the feeling of insecurity amongst farmers, and in their doubts as to intensifying their industry.

209. Does not it strike you, especially as to intensifying industry on the face of it, whether it is expressed or not, that to be in such a position is an impossible one for any industry?—I would say, as I always have said, that I have always wondered how farmers would go into this bargain of the yearly tenancy and found a business of that character upon such an insecure basis. Looking at it from the outside, it has always been a wonder to me that they would undertake it, and that they would refuse, and do refuse, to have leases. In any other business in which a man is going to embark his capital and risk so much loss on being turned out, he would insist on having a lease. A farmer does not only not insist on a lease, but he refuses a lease. As I say, it has always been a mystery to me, though one can understand to a certain extent how it has come about.

210. How do you mean?—That he had faith in his landowner and knew, taking it on the whole, that the landowner would consider himself bound to keep him going, while he himself was able to give notice to leave in a year. It seems to me the farmer has always asked to have the best of both worlds in this matter of his tenancy; and now that the old race of landowners is going out of business, as it were, I daresay we shall have to have a change.

211. *Mr. Green*: Can you enlighten us as to why the guaranteed price was suddenly changed from 55s. to 75s., considering that you had no data to go upon?—You mean as regards this year, 1919?

212. Yes?—I must repeat that there is no connection between the 55s. or the other prices in the Corn Production Act, and the promise given last November of the Government to buy the corn crop of this year at the maximum prices that were then guaranteed. You see it was simply a promise to continue those maximum prices, or to make those maximum prices actual prices.

213. Would the Board in the interests of the State be in favour of buying at guaranteed prices for the community?—Are you speaking of guaranteed prices as a permanent measure?

214. Yes?—I think at the Board we are opposed entirely to the idea of fixing the prices at which the State may buy.

215. You are?—Yes. We believe that that is an unworkable plan.

216. Have you no data of the cost of production on the Holbeach and Patrington Farms?—Yes, we have for the year and a half since Patrington began in April, 1917. We have a year and a half's accounts complete and we have a year's account of Holbeach.

217. Shall we be getting those from Mr. Floud?—They are printed in a Parliamentary Paper.

218. And the costs of production?—No, I do not think the costs of production are there. You mean dissected for the crops?

219. Yes?—No, I do not think they are. You see the costs of production would be very little good for the year of starting as evidence. What I suggest to you is that those figures, which are quite open to you, are of very little value as bearing upon the general costs of the industry.

220. Do you think that the guaranteed prices as a policy have really stimulated corn production in this country?—Certainly not. I should say not, because they have never been in operation. You see the actual prices that have prevailed since the Corn Production Act was passed have been a long way above the guarantees of the Corn Production Act, and a long way below the world's market prices. The world prices, for instance, in 1918 for wheat would be over 100s. instead of the 75s. that we have been tied to.

221. Therefore they have been quite ineffective?—They have not been in the picture at all.

222. You have mentioned somewhere in your book that the farmer's personal profit does not coincide with the national interest; and following on that statement in your little book, "Agriculture after the War," you have said the most effective lever to secure the better farming that is now needed in the national interest would be to give the State powers to take over any land that has been inadequately used. You say the most effective lever. Do you still hold that opinion?—Certainly. That is another provision of the Corn Production Act. The Corn Production Act takes its stand on that point, that while it deals with security for the labourers' remuneration and security for the farmers' remuneration, the community shall be guaranteed good farming by giving the State powers to take possession of land which is inadequately used.

223. I think, if I may say so, the Board was rather nervous of getting farmers to stick to their business during the war time, when the case of determining leases was put into force. I believe about 90,000 acres have been determined in that way. Do you think it would be a very good plan, especially in the case of helping a man who is a very skilled man, if he were put in as bailiff of many of these farms which have been under-cultivated—I mean men such as agricultural labourers, carters, and so on?—I think wherever you can see how to handle a piece of land which has been taken possession of in this fashion, it will be done; but very often with regard to this land which has been taken possession of and cultivated compulsorily by the Executive Committee, it is extremely difficult to see how you are going to handle it permanently. I will give you a case I went to see in Essex ten days ago. You go down in the neighbourhood of Southend. You have what they call in that part of the country plot-land estates which were sold in little blocks of twentieths or fortieths of an acre for house purposes. The buyers very often let their title lapse, and there was a derelict area of the country with here and there a house scattered about. A lot of that land was brought into cultivation during the war. The Essex Committee set to work and ploughed it up; but there is no farm there. There are plots, there are fields, as it were, without any buildings. The labour has been brought from a distance to do it. The horses perhaps walked two or three miles. There is nothing that you could offer a man to settle upon; and there is very great difficulty in seeing how that land is to be resettled, and whether one can afford to do anything but let it go back to the owner.

224. In your book also you make a general statement that most farmers are deficient in brains and capital?—I do not think I say most farmers?

225. I have the passage here. Do not you think, bearing that in mind, that a good deal of the agricultural depression and the farming which did not pay in that time was due a good deal to the inefficiency on the farmers' part rather than the prices?—I quite agree that the efficiency is not at the highest level or as near a high level as we should like to see it. But you have to take people, including farmers, as you find them. If you want the land cultivated, they are the only people who can cultivate it. You have not another race of heaven-made farmers to put in their place.

226. You mention skilled men, agricultural labourers. Bearing on that point, you say in a typewritten sheet issued by the Board of Agriculture that "In most counties the best farmers have shown great keenness to co-operate with the Government in training ex-service officers and men, but in one or two counties difficulty is being experienced in finding up-to-date farms for the purpose." Would you inform us generally where those counties are?—I really would not like to say off-hand until I looked up the figures. I have not that in my mind.

227. Could you give us a statement of the comparative acreage taken up between corn-growing farmers and, we will say, market gardeners, fruit growers, and dairy farmers?—I will have that prepared for you.

228. *Mr. J. M. Henderson*: The result of the Corn Production Act has been to increase the cereal area by how much?—I do not think the Corn Production Act as such has had any effect in that direction. It has been, as it were, overridden by the war situation.

229. But was not the real object of its introduction in the House to encourage men to cultivate pasture land and break up land which has not been broken up before?—It was introduced as a measure of permanency to show that the State was permanently interested in the arable land; but the factor which had the immediate effect was the order of the Committees to plough.

230. What I mean is this. The original intention of the Act, as stated by the Minister who introduced it, was to encourage the increase, and it only applied to the increased area which was to be cultivated?—Yes, that is so.

231. Later on it applied to everybody, and the result was that the original object failed?—But I would still insist that the action of the Corn Production Act in that respect was altogether overriden by the other actions that took place, that is, the action of the Committees.

232 Which Committees?—The War Agricultural Committees, the Executive Committees, who ordered men to plough.

233. My point is this. According to your evidence it has not increased the area?—The area under the plough has been increased by nearly 2 million acres; but I would not put that down to the Corn Production Act, but to the much more drastic action of the War Executive Committees.

234. I will only refer to wages for one second. As you said, the 25s. has no relation to the 60s., the price of wheat. 25s. was the estimated amount at which a man could hold body and soul together, was not it?—Yes, it was at that time a minimum wage.

235. At the time that 60s. was put in the wheat price in the Act, that was about the price of wheat at the time, was it not?—I think it was well below the price of wheat at the time. You are speaking of June, 1917. I think the price of wheat at the time was then mounting very rapidly. It was 78s., 80s. and 85s.

236. How much area do you say at the present time is under cereals? I will put it in another way: How much out of the 100 per cent. of cereals that we use in this country, do we grow ourselves at the present time?—Speaking of wheat, we used to grow about 20 per cent.; and we increased our wheat production in 1918 by more than 50 per cent., but not permanently, because there was an extra wheat acreage put in over and above the gain to the general arable land.

237. What I mean is this: To feed the country how much wheat do we require to import?—We require to import four-fifths or perhaps three-quarters now of the total that we consume.

238. Has this occurred to you, that whereas we only grow a quarter per cent. of what we want, if you have, let us say, a maximum price to the British farmer of 70s. and the Chicago price is 60s., what is going to be the result?—The farmer will get paid 10s. on every quarter of wheat he grows.

239. Above the market price?—Yes.

240. That means the consumer has to pay it?—The nation.

241. I can imagine such a thing might happen that the guaranteed price might be 70s. and the world price 50s., and that the consumer, the Government, or the taxpayer will have to pay 20s. a quarter bonus to the British farmer?—That is what we conceive might happen at times, and must expect to happen.

242. I suppose you remember that the price was fixed for potatoes in 1917 at £6 a ton, and the farmers were only too glad to sell at £3 10s. 0d. a ton, and did not claim a difference. Do you remember that? You will agree with me that I am not claiming at all that the Government should fix a price. That is just the thing I want to avoid.

243. You fix a price that the Government will pay?—No, a return that they will make up to.

244. No, the Corn Production Act guarantees to the farmer that it will pay him a certain price?—No, it does not guarantee to pay him a certain price.

245. Whatever he has to sell under that, they pay him the difference?—They will pay him a difference between the average price of the year and the guarantee, yes; but they leave the market perfectly free.

246. I know that, so long as the market is above the price; but when the market gets below the minimum price?—It is an equally free market.

247. It is an equally free market until the farmer comes and demands the difference. However, it is just as well we should know this. A good deal of examination, if I may say so, has been turned upon the question of policy and politics. What I take it your Board require from us and from the letter read to-day seems to be somewhat peremptory about, and ask for an immediate report, though I do not see how they are going to get it—is what our Chairman properly said is a balance sheet of to-day and a balance sheet of to-morrow. Now you know that you cannot prepare a balance sheet of to-day or of any other time unless you have the costs. I am afraid in this *precis* of yours you do not give us any assistance as to how we are to frame the costs of production on various farms. Take three kinds of farms—say, a 50-acre farm, a 150-acre farm, and 300 acres and upwards. After all, as they say in Scotland, one would be a one-pair horse, another a two-pair horse, and another a three-pair horse. Each of them would be very different, or at all events somewhat different, in their production; and what we would like to get, and we do not seem to get it or likely to get it unless we search it out ourselves, is what the cost of production of cereals on any of these farms is. We want to begin and make our balance sheet, and we have not the first item. We require the revenue from cereals on each of these subdivided as you like, so long as it has some relation to actuality. What we want is to get our balance sheet, and see how much is the revenue from each of these and what is the cost of working it.

Chairman: I do not think we can get that from Sir Daniel Hall.

248. *Mr. J. M. Henderson*: No, but I should like him to say whether he knows where we can get it?—I think you will have to go straight to the farmers. We can help you by putting you in the way of certain farmers who may have figures to supply you. All my evidence-in-chief was that at the Board itself we have not the figures of our own production which are likely to be of much value to you.

249. I suppose your costs are pretty heavy, and you would not reckon an ordinary farmer's costs to be the same?—Our costs are first year's costs. We have only been doing farming within the last year or two.

250. You cannot help us to get at these elements of a balance sheet which we are asked to prepare in order that we may be able to advise on the economic position?—No; I have no official evidence to put before you on the point.

251. *Mr. T. Henderson*: You said, in reply to Mr. Green, I think, that you admitted farmers were not at the highest level of efficiency. Do you mean by that the usual imperfections of human nature, or would you say a lower average than any other industry requires?—I do not know enough about other industries. You are always apt to judge your own family most severely, are you not, from being in close touch with them.

252. At any rate, you admit that they are not at the highest level?—Certainly not.

253. Do you admit the economic effect of the guaranteed price in itself is really protective; that is to say, it eliminates competition to a certain extent?—What one was hoping about this theory of guaranteed prices—the guarantee which is a security guarantee—is that it still leaves all those economic pressures to operate. The man who can grow good wheat will get his advantage from growing better wheat than the average, and the man who can grow more wheat will get an advantage. This system of bounties, we think, has not the same deleterious effect upon the industry that, say, a tariff wall has, behind which certainly very imperfect methods can shelter.

254. But you would agree, I think, that there is a certain element of risk in that. It may be that the methods would tend to be stereotyped under a guaranteed price as under, say, duties?—I do not think they are the same. If you are going to guarantee the price that you will pay the farmer for his material, then I believe you do away with all incentives to improve; but if you are leaving the play of the market, and only providing certain guarantees to prevent what I call a knock-out blow to the industry, you do not.

255. Then, conceivably, an alternative to your method would be to deal with the question of the knock-out blow by itself and not consider it as part of the general policy in the industry. What is the objection to that policy? For instance, suppose the

farmers have a very bad year—and we all admit they do have a bad year—why not deal with the phenomenon of that year by itself instead of setting up elaborate machinery?—You cannot put the farmer's years into watertight compartments. He has to lay his plans for the future.

256. It seems to me that in normal years, when industry is getting a fair return on the capital invested, the effect of the guaranteed prices will certainly be to increase purely economic rent. I do not mean agricultural rent?—It might be. Of course, I am bound to say, from a theoretical standpoint, that anything that increases the safety of the industry increases the economic rent. It must do; but I think that is a theoretical argument.

257. Could you tell us what is the actual purpose of this policy? Is it to be a war policy for the future, or is it to increase the supply of men in the country, or is it to increase our food supply?—To increase the user of the land, the production from the land, and to encourage the better use of the land.

258. That is really to increase the food supply of the country?—It will increase the food supply and it will increase the man supply of the country.

259. To put another theoretical question, is it possible to conceive of an increase of food supply and at the same time a diminution of the man supply of the country?—Of course, you could conceive those two things going together under certain conditions—that by extreme efficiency you might reduce the actual number of men employed upon a farm and increase the output from it.

260. I think you suggested, in answer to some question that you hoped the effect would be that intensive methods would be more likely to be adopted?—Yes.

261. Do these intensive methods really require more men, or does it not mean they use the men they have more efficiently?—I think the two go hand in hand. Wherever I see an intensively cultivated farm I find more men upon it, because the man dealing with the farm finds his profit both ways. He may be doing one particular kind of operation with less men, that is, less skilled men; but he carries on more operations.

262. Is that general?—I think I should say that is almost generally true; that the high farmer is also employing more men.

263. The high farmer usually tends to employ more machinery?—And more machinery; but he is following the more intensive system altogether.

264. With regard to the question of supplying yourselves in time of war, you admit that the guarantees did not come into operation?—Yes.

265. That is to say, the ordinary economic lure was sufficient to protect the farmer?—Yes. What did increase the cultivation during the war was the direct orders which were imposed upon men to plough up their land without any question of price; and the thing which hindered even greater development of these orders to plough was the lack of arable land.

266. And the lack of labour?—The lack of men, horses, ploughs and buildings.

267. How far has the Board used its powers for taking over inefficiently worked farms?—I think I would like to put in those statistics. Roughly speaking, 70,000 acres of land were taken over by executive committees.

268. *Mr. Prosser Jones*: You told us that you were desirous of getting back to 1872. What you mean by that, I take it, is that you want to get to the acreage you then had under plough?—That was the ideal that we set before us when we started on the plough programme in 1917. We want as much arable land as we can get; but when farmers objected and said: "This land is not fit to plough," it was a reasonable answer to them and to their counties to say that at any rate it was ploughed in 1872, and you can at least get back that far. I would not say for a moment I should be content with the position of 1872. I do not see why we should not have a great deal more arable land.

269. In addition to the guaranteed price for the farmers, what other factors are there that are likely to attract people back to the land?—Housing conditions have got to be improved throughout the country, if you mean questions of that kind. The man must have a decent wage or he will not come back, that is certain; and he must have reasonable conditions of living, of which housing is perhaps the biggest factor.

270. Has the present minimum been some inducement to get men to return to the land, or do they still leave the land for the industrial centres?—Conditions are too disturbed. We really have no evidence at the present time. I do not think we know whether men are coming back to the land or not.

271. We hear a great deal about guarantees to the farmer as to security of tenure. Have you any suggestions to make as to security to the farm labourer as well, who lives alongside the farm?—The security of his employment?

272. Yes, as well as security of a plot, say, of so many acres?—I do not quite follow.

273. I want to put it in this way. A farmer has 100 acres, and he wants security of that 100 acres. He wants to remain there for 10 or 20 years before he feels satisfied to put out his money. He does not feel at home. The labourer who lives alongside of him has only a guarantee for one year. Have you any suggestion to make as to how that man would get more time in that particular area?—I have no official suggestion to make. I mean, does not this lead us into a long discussion of what you might call general social politics?

274. I take it if it is the desire of the Government to get more men on the land, then surely it is the Government's duty to find means to attract those men back to it?—What we say is this: we are going on a policy of housing and providing small holdings of the most graded sizes, the house with one acre and so on, which we believe is one of the great steps towards rendering life in the country attractive to the man working for wages.

275. *Mr. Langford*: I almost hesitate to put a question after we have heard so much of the low intelligence of farmers; but I will venture one or two. Is it your opinion that one of the reasons why you find less intelligence in the country, both in the farmer and the farm labourer, is that trade and professions offer better advantages to the intelligent boy both of the farmer and farm labourer than the country does?—Undoubtedly that has had a very serious effect during the time of depression. There were very much better openings offering in industry and commerce.

276. It is your opinion that better profits and greater fortunes have been made during recent years in trade and professions than could possibly have been made in the business of agriculture?—Certainly.

277. Mention has been made that from 1860 to 1870 farming was more profitable than it has been since. Do you think that at that period a greater standard of intellect was engaged in the industry than has been subsequently?—I really could not say. My memory does not take me back.

278. But it is an important point; because we want to clear up whether the industry is unprofitable in consequence of the inability through lack of intellect on the part of the farmer to conduct the business, or whether there are other causes. Several other questioners have tried to show it is because a man is incapable of conducting his own business. I take it you have had many business transactions with farmers?—Yes.

279. Have you found them incapable of looking after their own business when you have dealt with them?—No. As you know, I have a very high opinion of a farmer.

280. It has been suggested that if guaranteed prices are given by the Government, there may be a conspiracy between the farm labourer and the farmer to

give higher wages in order to get back from the State the additional expense to the farmer. Do you think that is likely?—No.

281. As you know, there is another person equally strong, in fact, stronger than the other two, largely interested in agriculture—namely, the landlord. Do you think it is at all likely that he is above conspiring with either of the other two in order to get an increased rent from his land if the prices of commodities grow?—No, I see no evidence of that.

282. You see no evidence of why he should or should not?—No, of the land owner ever having done so.

283. You have heard of the Agricultural Rating Act. That Act, I think, was given by a Government at a time of considerable agricultural depression. Before that Act came into operation, rebates were given very largely for rents, were they not?—You mean that landowners were giving rebates on the current rents?

284. Yes?—Yes.

285. Is it within your knowledge that the moment that Act became operative those rebates became less and less, until they died out altogether?—I am not aware of any cases within my own knowledge of the rebates being stopped because of the relief of rates.

286. No; but they did stop as a matter of fact?—The relief of rates began, and coincided in time, with just the turn of the tide in agriculture generally, did it not?

287. I understood that the relief was given in order to give some advantage to the farmer at a time of stress?—Yes, I suppose it was.

288. It was given at a time he wanted it?—Yes.

289. Is it not an open secret that immediately after that the rebates given by landlords were withdrawn?—It is not within my knowledge.

290. But they had been given for many years, had not they?—Yes, I should say so.

291. Then would it be a fair assumption that the advantage which accrued to the farmer primarily, subsequently went to the landlord by increased rents?—I do not know. I think historically that coincided with a time of rising prices.

292. I take it that the extra food that has been grown during the war has not been a negligible quantity?—No, certainly not.

293. It has been a considerable item in assisting in a national crisis to feed the people of this country?—Certainly.

294. Do you believe that it would imperil the security of the State, and possibly endanger the lives of the people, to allow agriculture again to recede to the position it was pre-war?—That is the position I stand for above everything else—that it is not safe to let agriculture go to the wall in a country like this.

295. Then may we take it that it is the policy of your Department that agriculture in the future shall be something in the nature of a security for the State—an insurance, so to speak?—Yes.

296. Then if it is to be an insurance to the State, coincident perhaps with keeping up a big Navy and a tolerably large Army, the State must pay for it?—If need be. That is what we maintain.

297. If prices had not been regulated by the Food Control Department during the war they would have been much higher than they would have been for farm produce, do not you think?—Yes, much higher, for all the farm produce. All the food prices during the war, so far as they have been fixed, have marked down the farmer's produce.

298. Then nothing has been given to the farmer by the way of fixing prices?—A great deal has been taken away from him.

299. A good deal has lately been said about putting upon the land discharged soldiers, sailors, and some of the Air Force. Do you think it is right to fix these men up in small holdings unless a policy of the Government is first inaugurated that will make those holdings fairly and reasonably profitable to them?—I think it would be cruel to put them upon the land if we knew they could not live upon it.

300. Something has been said by a previous speaker as to, if you give a guarantee only to cereals, how the feeding farmer and the dairy farmer is to come off. Is it not pretty general that a feeding farmer has also a good deal of land under the plough?—Yes, I should say so.

301. If he has not, it is from choice; all his land would be capable of growing a good crop of cereals?—Yes, I think so, in most cases. It is only in certain special cases he is not.

302. Is it not also a fact that the people of England are now beginning to appreciate home-fed meat at its proper value?—I should judge so from the demand during the war to have it at any price. Meat is to be kept under control for another year, not so much because of any anticipated real scarcity, but because it is feared the price of home-grown meat would run away so tremendously.

303. Then it is fair to assume that, in the future, the same will operate, and a biggish difference will be charged for home-grown meat beyond the price obtainable for foreign meat in the same market?—I think the British farmer could always maintain a considerable difference between his product and the imported article.

304. The dairy farmer also, as a rule, grows a good deal of cereals?—Yes.

305. Therefore, if he grew cereals, he would have as much advantage from guaranteed prices as the strictly cereal grower would?—We also believe, of course, that if the dairy farmer is a buyer of oats, if we have encouraged the growing of oats by our guarantee, we are helping the supply and helping the dairy farmer in that way.

306. Something has been said with regard to the constitution of the Wages Board, and that employers of labour are represented upon it equally with representatives of labour. That is so, I believe?—Yes.

307. Is it not also a fact that there are what is known as independent members of that Board?—There are seven appointed members.

308. And they have the power to sway the pendulum, so to speak?—They are in the position of umpires.

309. Would it be fair to assume that at least some of those independent members know little or nothing of agriculture?—That is rather a personal question.

Mr. Langford: I do not press it.

310. *Mr. Lennard*: In your evidence-in-chief you say: "Were not the State driven to ensure supply, the State might abandon guarantees and view any downward movement of prices with indifference." Can you give us any opinion as to the probable future of market prices? Has the Board any information, for example, as to recent agricultural developments in countries from which agricultural products have been or may be imported, which would throw any light upon the probable future of market prices?—That is one of our very great difficulties, to forecast the future trend of prices. The wisest forecasts nine months ago predicted a considerable fall in cereal prices to take place this autumn; and Sir James Wilson talked about wheat at 40s. All those promises have simply gone by the board. It is very difficult to foresee the course of prices; and my own impression is, that we shall see a considerably higher level of prices prevail. When one considers that the movement for the better payment of labour is not in this country alone, but is world-wide, and the fact that freights, however much shipping returns, are bound to be higher because of labour, coal, and cost of material, and that a great world-wide destruction which has been wrought in the war areas—all these conditions lead one to suppose that the prices of agricultural products are not going to fall at all rapidly. Now I am speaking really more from intuition than from statistical knowledge. Then one

had the kind of feeling just before the war that we were seeing the end very much of a period of lowest price agricultural development. Country after country had produced cheap wheat as a means of clearing the country and of breaking up the land and getting it under cultivation, and was then going out of wheat. You saw the wheat zone go sweeping across the Argentine. It was the means by which the new country was reclaimed. One saw the wheat belt in the same way used as the means of breaking in parts of dry land in Australia. We seemed to be nearing the end of that expansion. There were certain unknown factors. Siberia was an absolutely unknown factor; but we were certainly nearing the end of the unlimited supplies. Again one of the characteristic features of the situation two or three years before the war was the way the great packing houses were trying all over the world to get fresh supplies of meat. They were not able to meet their demand. What we do not know, and what I say is the great doubtful factor in the situation about prices in the future, is the purchasing power of the peoples and how far that has been impaired on the one hand by the destruction wrought by the war, and on the other hand increased by the higher rates of wages—perhaps real rates of wages—which have come into being. We see a change amongst our own people, for instance. There will be amongst our own people greater demands for meat and milk, and for the better class of vegetables per head of the population in the future than there ever have been in the past. You can count confidently on that greater demand. What I do not know is, whether there is going to be the money to pay for it; and that is just the uncertain factor in the world's situation.

311. Does not the opening up of new back lands very largely depend upon railway development; and is not it possible to gauge the extent to which that has been retarded during the war?—That, no doubt, is a factor; but I do not see the immense amount of new back land in the world left to be opened up, of the kind that is needed to grow our temperate agricultural produce.

312. Would you, on the whole, agree with this statement which was made by Lord Ernle, then Mr. Prothero, in 1916, in evidence before the Departmental Committee: "Anybody who looks far ahead will see that prices must rise to a remunerative level for the farmer"?—Was he speaking of world's prices when he said prices must rise?

313. I gather so?—He was meaning that the prices would rise?

314. Yes. He goes on: "The American competition, for example, is of course decreasing in force, because the American now has to adopt our plan of raising produce. He has to use more fertilisers, and it is more expensive for him to raise it"?—Yes; I should share in that opinion, that the trend was upwards. We were nearing a limit of this big flood of stuff coming in cheap. There is no doubt that in the 'nineties wheat was sent into this country below anything you could call the costs of production.

315. Do you consider it would be at all possible to estimate what would be the effect if market prices were left to govern agricultural operations unimpeded? What would be the probable effect on the intensity of cultivation in this country, especially of the arable area and the area under corn, and, secondly, on the number of persons employed in agriculture?—You see I am myself a believer in the future continuance of good prices. But, as I say, there is an enormous element of speculation about that; and there is not the slightest doubt at all that, in the minds of the agricultural community, there is a great feeling of uncertainty and doubt. They are holding back to see a little bit how the position is going to be. We want every factor we possibly can get that will tend to stimulate men towards production and towards starting up the industry on the best scale; and I think simply to say to the farmer, "Conditions shall be free. You will take your risk and you will get good prices"—that I consider would have a dangerous effect upon production. There is such a temptation at the present time to a man to realise the capital he has in his business and go out of it, and sit on it until the situation looks a little more stable. That is what we want to avoid. We want these men to step in and increase their farming. So we say: "Give them some measure of security for the future." Do not say, "We will leave you in this whirlpool that is resulting at the present time from all these unforeseen forces," but say, "We will not leave you just to the sport of these currents, but we will give you some security, and that will encourage you to start up your business."

316. Have you considered the possibility of this insecurity of fluctuating prices being met, not by State guarantees, but by business arrangements between farmers and insurance companies, or by some form of compulsory contributory insurance?—No; I certainly have not reviewed that way of dealing with the industry. You see the State is in it at the present time. The State will come in and lop off the farmers' profits by maximum prices. It insists on continuing to do so now, this year, after the war is over.

317. You have spoken in your evidence-in-chief of certain agricultural undertakings, such as those of the Food Production Department, providing no proper evidence of the real cost of production in agriculture. Would you agree that the financial results of farming during the war, on an average, could not be taken as an index of the real cost of production in agriculture, and that this cost of production might be considerably reduced by changes in the size of farms and by a levelling up of farming efficiency and method?—The reason that I say these agricultural undertakings, say of the Food Production Department, do not give evidence of the real cost of production is that they were very special enterprises, not founded on an economic basis, but done to get the land into cultivation. For instance, you would have a derelict farm. Perhaps the tenant was left in possession of the farmhouse because there was nowhere for him to go. It might be an old man past his work, and it would be cruel to turn him away. The land was taken away and was given to a man two or three miles off to farm. He brought his horses, men, and so forth, and cultivated the land, and we got the crops off it. The operations did not afford any guide to what that farm ought to have cost to work. First of all, there was all the cleaning and work of getting the place straight, and then there were these facts, that it was farmed at a distance and under physical disadvantages which would not prevail if it were a proper self-contained farm with its occupier engaged in the normal course of his operations. As to the second part of your question, whether the financial results of present day farming are unreliable as an index to the real cost of production, do not you mean ideal costs of production? Is not the real cost of production the actual prevailing average?

318. I would say the best possible, rather than the ideal?—I will admit that.

319. But meaning by best possible that which could be achieved if, for instance, the size of farms was changed?—Possibly the size. One must admit it is conceivable with better farming than prevails on the average.

320. Is there not a danger that guaranteed prices fixed so as to secure the income of the existing farmers and the profitableness of the existing farms might prevent, or hinder, improvements, either in the form of the supersession of the least efficient farmers by the more efficient, or in the way of adopting a more economic unit of production? I mean if we take the costs of production on an average 300-acre farm, and guarantee prices which will make that farm profitable, may we not hinder a valuable economic tendency to develop a more efficient unit of production, say, a 1,000-acre farm, with a greater use of machinery?—There are two points there. We are not guaranteeing the actual price to be paid. I believe it is mischievous for the State to guarantee the actual price; but where the market is still at play, I do not see that so much evil results. But from this point of view does pressure on the industry

make for improvement, or does not rather the profitableness of the industry make for improvement? I believe the profitableness of the industry makes for improvement; and that when you look back to the period 1885-95, I do not think we saw an improvement in farming then going on under the economic squeezing that was taking place. I did see a good deal of improvement going on from, say, 1897 to 1907, when prices were rising and things were getting better. I think, on the whole, merely as a piece of psychology, when you are dealing with an industry, the bad time, that is, the time of falling prices, does not produce improvements to meet it so much as it causes men to leave the industry and go out of it altogether, getting away and cutting their losses.

321. But may not it lead to improvements after a certain time? Is not it the fact that some of the greatest improvements in agricultural practice have taken place in counties which were especially hard hit in the bad time, such as the County of Essex?—Yes; I admit that pressure works both ways.

322. Can you give us an idea of the extent of the change which would be involved by the general adoption of the most economic unit of production? I mean, how great an area would have to undergo change, and to what extent would the average cost of production be reduced by the change?—No; I am sure I could not translate that question into terms. You see, it is like asking: Suppose you went down the Commercial Road, we will say, and swept up all that succession of little retail shops into two or three great emporiums; what economy would you effect in the district in the man-power? I could not put into figures what economy you could effect in a given county of England, or a given agricultural unit of country, if an all-wise farmer were given that land to lay out as an agricultural area I have no doubt he could do great things; but I could not turn them into figures.

323. You would agree there is very considerable room for a lower cost of production, due to changes in the unit of production?—There is room, that is to say, there is a margin; but I must not be supposed to commit myself that we can attain it forthwith in practice.

324. But you think some improvement is to be obtained in practice?—I think, by degrees, we can move in that direction. For instance, to take the sort of thing I am thinking of; we are farming at the Board of Agriculture perhaps 20,000 or 30,000 acres. I believe we shall effect some improvements by our action. I do not for a moment suppose I could do the same over 300,000 acres, and still less over 3,000,000 acres, or 30,000,000 acres. The task gets beyond organisation and the man-power available.

325. Just one or two supplementary questions which have suggested themselves to me in the course of the Session: Some questions were asked as to the basis of the 25s. minimum wage drawn by the Corn Production Act. Is not it a fact that this figure was first reached by the Ministry of National Service in regard to men without agricultural experience who were physically unfit for active military service, and it was applied to agriculture in general at a time when military service had depleted the supply of young and fit men for agricultural labour?—I do not know; I should have to look up the dates. I think it was somewhere about March or April in 1917, was it not, that that figure of 25s. was first put down; and it was put down as being the minimum which the National Service Department had adopted at the time not for agriculture but for all services for which they were enrolling men. It was, if I may say so, really convenient to take a mimimum which had been arrived at by a body outside the agricultural community. We were, in a sense, glad to have taken away from us the responsibility of saying what a minimum wage should be.

326. But am I not right in suggesting that the labour to which it was contemplated that wage should be paid, and for which that should be the minimum wage, was owing to war conditions physically very inferior to the normal supply?—Is not the conception of a minimum wage without relation to the work done. It was to be the minimum that would provide for a man to live upon; and whether your so-called physically unfit man of the Labour Department could do a full day's work was not the question; it was what he could live upon at the time. It cost him just as much to live, whether he was doing a full day's work or not.

327. Then some questions were asked about the extensive sales of agricultural land which have recently been taking place. Is not it a fact that many farms have been purchased by the tenants; and does not the tenants' willingness to purchase indicate that they consider the prospects of the industry to be good?—I should say a very large proportion of the purchases have been made by tenants. Of course, in some cases the high prices were also partly due to the fact that the tenants had money in their pockets.

328. Do not you consider their willingness to purchase indicates that they considered the prospects good?—Yes, certainly, I think they did.

329. Then there are two questions which arise out of questions Mr. Langford asked. In answer to one question, you spoke of greater fortunes being made in industry than in agriculture. Did you mean that the actual rate of profits tends to be, or has been, at certain periods greater in industry than in farming; or only that in urban industry there is a greater opportunity for a man to expand his industry into a larger scale, though the rate of profits are not necessarily higher?

330. *Chairman*: The rate per cent. on capital employed, you mean? (*Mr. Lennard*: Yes.)—Yes; I think I would agree with you that, taking the years immediately before the war, the rate of profit which it was then found men were earning on their capital was a good one; but, of course, there were not the same opportunities of rapid expansion of a man taking on farming that were present in the industries and in commerce. It would be a commonplace in talking to farmers about their sons, to hear that so and so who had gone into the town had done better and was making more money. There is no doubt that, speaking of the period of the late 'eighties, or the early 'nineties, and 1900, there was a great drift away of capable young men from the farming profession.

331. Would not an increase in the size of farm tend to obviate that, and give a greater opportunity for the really good man?—Of course, I myself hold very much that if we had more large organised farms with positions of sub-managers and assistant-managers and steps by which young men without capital, but with good promise, could come into the farming business, we should give an opportunity for many men who would be of value to the industry. Of course, as an old head of an agricultural college, I used to regret very much that when you got a very capable youngster fully bitten to work and educating himself well that if he did not want to teach, or did not want an administrative post, very often he found there was no opening for him in this country. He could not get a paid job in farming, and he could not start in farming as he could in insurance, banking, or a metal house or something of that kind. He either had to put up his capital in a farm for himself, or what he usually did was to take his energy and knowledge abroad to our Colonies, because there he could save enough to start on a small capital.

332. So that you would say there is a supply of suitable men available, or who could be educated as required for positions in farming, who would be capable of running a number of these larger farms?—Certainly, that supply would soon come forward if there was a demand.

333. Mr. Langford also raised the question of soldier smallholders. As smallholders are not usually growers of cereals, would guaranteed prices of cereals do much more for them than possibly create an upward tendency of rents all round?—The smallholder more often wants to buy cereals. You see our

guarantees will increase supply without increasing price. We will leave the market price free; and the smallholder who wants oats, we will say, to grind for his pigs has all to gain by having plenty of it grown round about him.

334. Yes; but not being mainly a cereal grower, he gets no direct advantage from the guaranteed price for cereals?—No, he does not.

335. And is it not possible that the guaranteed prices for cereal production would create a general tendency for rents to move upward, and that the rent of the land which the smallholder cannot use for cereals but which, if otherwise used, might be used for cereals, would tend to advance?—I do not think the smallholder's rent, as a rule, gets pushed up by the rent of farm land round about; the smallholder's rent is nearly always conditioned by the convenience of the land and by its quality. I see corn growing mainly on land the smallholder can do little or nothing with.

336. *Mr. Nicholls*: I wanted to ask you a further question with regard to the Holbeach Farm Colony. That I think you said has been running about 18 months?—Yes, since Michaelmas, 1917.

337. What I wanted to know was, in speaking about the returns from that not being much use to us, is it not a fact that that farm has really been cultivated by the Board to get it ready for the settlers who are going in, and that, therefore, it would not be expected to be an economic success from the Board's point of view?—It has paid its way. It made a considerable profit during the one year for which accounts are available.

338. Now the outskirts will be divided, and 90 men settled on it following up what Mr. Lennard mentioned?—Yes.

339. Do not you really think that when the 90 men get settled, it will employ more labour and really settle more men? When I speak of settling. I mean sticking them fast on it. They will feel settled. They have got something there of their own, and there will be a better production from the same farm than there was prior to 18 months ago when it was taken over?—Yes; that farm will be much intensified by being cut up. It is piece of the richest land in England, most capable of intensive production. A man will live more comfortably on that land on 10 acres. It will be farmed for celery, onions, potatoes, and so on. Before it was growing corn and so on. That is a very special piece of land.

340. Then, with regard to the security of tenure for the farmer, a great point has really been made on that. Do I take it from what you said that you really think farmers could get a better security on their holding if they would agree to take a lease? What a man really wants is to feel he is settled and he can spend his money and feel he is all right there, say, for 20 years. If he wants to be there for 20 years, do you suggest it would be better for him to take a lease, say, for 10 years, and a second for 20 years, rather than hang on with this year to year business?—I think, if the system of farming on leases became general, it would encourage a man to put his capital into his business and make certain arrangements for his withdrawal at the close. But tenure is a very big and complicated question, which one would rather like to go into at length, if at all.

341. The only point which was in my mind was that the farmer says, "I want something to make me secure"—and he cannot be secure on a yearly tenancy. Has not he some remedy in his own hands, and to say: "I will take this farm for 10 years." Then, of course, the labourer wants security, and the farmer could turn round to his horsekeeper and say: "I will give you a lease for 10 years in your cottage." That would help us over one of the other troubles also. Do you think there is really anything in that?—I think as certain forms of farming grow in this country, the tenants must obtain leases, or else the whole thing will stop.

342. Another point with regard to the question of rent. It has been suggested that as soon as the Government guaranteed prices, the advantage really went to the landlords. From your knowledge, do you know whether during this period there has not been, on the part of farmers, a very much greater demand for the land, and they have been running after the farms, with the result that the fact that there has been the demand has really sent up rents rather than the Corn Production Act having done it?—Certainly, the Corn Production Act did not do it; because, as I say, its guarantees have been overshadowed by the market prices that prevailed, and I should say, from all knowledge that is before me, either personally or officially, rents have not been raised during the war period to anything like the extent that could have been exacted. One of the reasons for the large volume of sales, we are confidently told, is the fact that the owner can realise cash for the land at a figure altogether out of scale with the rents. We can give you some remarkable instances of that kind within our purview.

343. Then with regard to the fixing of the scale between the price and wage in the Corn Production Act, is it within your knowledge that farmers, during quite five years before the war, were constantly advocating, "If we could get £2 a quarter for our wheat, then we could give £1 a week or 25s. in wages," and that that had something to do in the minds of the Government with their coming to a settlement. They said, roughly, "This has been made an offer, and we think it is a rough guide for us"?—I would say again there was no bargain of the kind made at the time the Corn Production Act was passed; but, of course, in the figures that were put down, what we had to guide us were the previous demands that had been made on behalf of the labourers, the existence of the minimum wage of the National Service Department, and again the history of the trend of corn prices for five years before the war, and the evidence that had been put forward, say, at the Milner Commission, as to what sort of guarantee would tempt the farmers then. You are quite right in saying 40s. had often been mentioned as the price farmers wanted to see guaranteed on wheat.

344. Is it within your knowledge that the wheat prices did actually go up to £4 a quarter before the wages were fixed by the Board at 30s., and that even after the wages were fixed some farmers refused to pay that 30s.?—Yes; there have been prosecutions, certainly. If I remember rightly, corn prices had gone up to over 80s. before the Act became law. The Bill was passed in August, 1917; and it was in June, 1917, that the highest level of corn prices was reached, because that was just before control came on.

345. Do you really think that we can ever hope to be relied upon in this country as a wheat or cereal producing country, in competition with the soils of the new countries?—It is not the soils; it is the the extent of them—the fact that you can get a fine flat area for next to nothing that renders the wheat from these new countries so cheap. I do not know that it is always going to be so cheap from these new countries. As I say, wheat was often the crop with which men broke in the wilderness. But I will again say, I hope a great deal of our farming, if we can get the land under the plough, will develop in the direction of crops which are worth more than wheat. As long as we have the land under the plough, let the farmer grow what is most profitable to him. If he has the land under the plough, and then we are pinched, as we were two years ago, it can be put in wheat with a minimum of trouble, and the land is there ready for the wheat to go in. But if he grows chicory, celery, potatoes, or caraway seeds, or anything of that kind in the intermediate time, it will pay better to let him do so.

346. Reference has been made to the heavy clay soil being very difficult and almost impossible for many of the farmers. Is it within your knowledge that some of the heavy clay land is often the best cereal producing land in the country, both in quality and quantity?—Yes; you can grow the finest wheat

in Essex on that heavy clay land. It is only that it is expensive; but you can grow the best wheat and get the biggest crops.

347. Is it not often the fact that some of that most difficult land to work is some of the cheapest land to work? The rents are lower, as a rule? The rents are lower. There were times when you could have it for nothing, if you paid the rates.

348. *Mr. Parker*: The question of security of tenure and leases has been just raised. I have no doubt it must be within your knowledge that up to about 1879 a great deal of the land of the country was held on lease. There were great documents, I remember, as big as this room. They ceased to exist, I think, about 1880, not at the instance of the landlord, but by the request of the tenant. It seems to me that these leases are very suitable during good times of agriculture; but if a bad time comes, the tenant himself wishes to be released from the lease, the amount of rent fixed, and all the restrictive covenants. Is not that so?—That was so. Leases in England, at any rate, received a great blow at that time. They were held to ruin certain tenants.

349. But are you an advocate for coming back to leases, with all their covenants, restrictions and one thing and another?—Not that kind of lease with its great restrictions, because in many cases the restrictions ruined the tenant even more than the rent.

350. I am a little doubtful whether the lease is in favour of the farmer himself. I want, if I may, to ask you to clear up one or two questions that have been touched on before. If it is a policy of the Corn Production Act that guaranteed prices of wheat or oats are just to cover average working cost, including a minimum wage to the labourer, rising or falling in accordance with the cost of living, does it not logically follow that a sliding scale of minimum prices for wheat and oats, rising or falling with the minimum living wage ruling from time to time, will be necessary in any amendment of the Corn Production Act? This point was touched upon by Mr. Rea. I think it is a very important point; and I would like to know whether that is absolutely ruled out?—I should not say it is absolutely ruled out; but I see great difficulties in drawing up that sliding scale and in saying wages is a factor in the security price.

351. But it does seem, from the policy set out in your evidence-in-chief, that it is almost a logical conclusion that there must be a sliding scale. That is the point I am getting at?—Yes, except that one saw such great difficulties.

352. In the third paragraph of your evidence-in-chief there are certain limits which would just cover the average working costs. Do you draw a distinction between average working costs and costs of production? I did not quite understand you?—When I was saying average working costs there, I meant the costs of production without the profits.

353. Then average working costs as contemplated by the Corn Production Act, are not to include anything to the farmer at all by way of interest on the money invested in the farm and to repay him for his brains and supervision?—If I may explain, the line I wanted to take was this. We did not want 60s., or any figure put down in the Corn Production Act as the price at which it will pay the farmer to grow wheat; because it would logically follow, if we put down 60s. as the price it would pay the farmer under any conditions to grow wheat, the State would have a right to claim that wheat at 60s. If we agree that 60s. is the price that would pay, I would put down a price, in the Act, of say 55s., which will cover the average cost of production—just the bare cost. Now let me have my 55s., and never let me get beaten down below 55s.; but if the world's price goes to 70s., let me have the reward and let me get my money.

354. Yes, but I do not quite follow that; because supposing the farm was being farmed by a farming company with a manager, as there are one or two springing up in Norfolk, the manager's salary would, of course, be a part of the working expenses or costs of production. Would not that be so? Yes.

355. Then why should some remuneration for the farmer be ruled out? I will put it in another way. Supposing we had very large industrialised farms employing the young men that you contemplate. They would probably be companies registered under the Joint Stock Acts, with directors, managers and other officials. The salaries of those officials would be part of the cost of production or working expenses, would they not?—They would.

356. Then why not for the farmer? I cannot see the distinction myself?—If you like to include within your working costs the payment of the farmer as manager, I think I would give you that point. We are still ruling out profit, are we not?

357. No; but the minimum prices of the Corn Production Act cover working expenses. You give the point that some remuneration to the farmer as manager may be included. You have to find out the costs of production of agricultural commodities; and surely in the costs of production we must include some item for those, whether farmers, managers, or whoever they may be, who are doing the work. Is not that a fair way of looking at it?—Yes.

358. That is understood, is it, that there may be, in the balance sheet we are asked to prepare, some remuneration included for the worker, whether he is working on his own behalf, or a farming company, or a co-operative farm?—Yes.

359. I want also to clear up my mind on another point, as to how the average working expenses are to be got at. Are they to be got at from taking the average working costs from large farms, say, over 300 acres, or are they to be got at by taking the costs of production on farms of 5 acres to 50 acres, or 50 acres to 300 acres? If any legislation is based merely on the working expenses of the large farms, it seems to me that the small farmers will be prejudiced. I do not know whether the figures before me are correct; but I looked them up in the Year Book, and I see they are that the holdings of over 300 acres in 1918 only amounted to 16,688, whereas the holdings from 50 to 300 acres amounted to 53,918. So it is quite evident, to my mind, that if the small man is not to be prejudiced these working expenses, which are greater on the smaller farms, must be the basis on which the average is taken?—I suppose, as a matter of statistical fact, if you are going to try to get the average working expenses, the average costs of production, you will have to make your average coincide with the industry: that is, you will have to include the small farms and the large farms, and you will have to give due weight to the part that they respectively play in the industry.

360. Can you tell us whether the Costing Committee which is at work is working on that principle?—They are only collecting materials. They have only just begun to get to work.

361. Have they not got to work?—I do not think they have any materials yet.

362. Because that is evidence we shall require, I think; that is to say, the difference between the cost of working on the various sized holdings?—If I may say so, I believe this is the trouble that is before you; that the data are scanty and imperfect, and that you will have some difficulty in getting a volume of information accurate enough to enable you to form your average with much accuracy.

363. But the fair way would be to draw those averages from the different holdings in proportion to their sizes and then make a rough average of the whole?—In proportion to the share they bear in the general production.

364. Is there any information within the knowledge of the Board of Agriculture showing the acreage held by the 16,000 holders of over 300 acres; I mean the total acreage?—Yes; we could give you the acreages of those groups.

365. *Chairman*: Would you kindly oblige us with this at your leisure?—Yes.

366. *Mr. Parker*: The groups are 1 to 5 acres, 5 to 50 acres, 50 acres to 300 acres, and over 300 acres?—Those figures are available.

367. I understand the policy of the Committee is to provide a minimum living wage. A flat rate of wage over an arbitrary area, say a county, which is quite arbitrary, is settled by the Agricultural Wages Board. This area of county must include good, bad, and indifferent land. Taking my county, take the land known to you in Littleport Fen or Ramsay, or round Biggleswade. That land, being very productive, would pay the minimum wage with ease; but, taking the stretch of land, say, from Bishops Stortford running away to Newmarket, which is light thin land, it is doubtful whether that class of farm will pay the minimum wage. The difficulty is that we have the flat rate quite irrespective of the units of productivity of the various farms. I want to ask you to tell us if there is any way you can suggest in which that difficulty can be got over. It is the flat rate extending over the whole of the area which seems to produce the difficulty?—But before there was any minimum wage regulation, did you find that in these rich lands higher rates of wages prevailed over the poor lands?

368. Certainly, the rates of wages in the good lands were always far better than on the bad?—Was that the case, taking things widely in England?

369. I do not know; I am speaking locally?—I should never have been able to trace, in my own experience, any connection between the rate of wages and productivity of the land; sometimes rather the contrary.

370. Not between the rate of wages and productivity of the land?—No; I never saw any connection.

371. I think I could give you several instances; but is there any way you can suggest?—I think what one can say is that there must be a flat minimum rate of wages. You have no right to ask a man to come and live on the poor land and farm in a certain way, because you say: "I can only farm it this way by cutting your wages down." That is what the State says the farmer must not ask. It says: "We will come to the farmer's help, rather. There is a certain rate of wage which ought to be paid; and if not, the style of farming must be changed."

372. That is the answer—or the land go out of cultivation?—Yes.

373. *Mr. Robbins*: I understood you to say that you thought, or you held, that the State interest required that we should get as much land under the plough as possible, for reasons of national safety and reasons of providing employment; that, even if war were impossible, it would still be in the interests of the State to foster arable cultivation, and it is desirable to get back, if possible, to the 1872 arable area?—Yes.

374. That, I take it, is the view of the Department?—Yes.

375. Could you give us any indication as to how far the Department have succeeded in persuading the Government that that is a sound view?—As far as the present Government goes, I should say that it committed itself in the Corn Production Act to the principle of assisting agriculture; and all the assurances one has at the present time are that this current Government is still committed to that point of view, and only want the necessary policy defined and put before them, when they will do their best to carry it out. Every declaration I have heard from the Government and from the Prime Minister is that they stand on the position that the prosperity of agriculture is vital to the nation, and, if need be, must be paid for by the nation.

376. Then it will be safe for the Commission to conduct its inquiry on that hypothesis?—I think that is what the Commission is asked to do.

377–8. I understood you to say, in reply to Mr. Cautley, that you considered the style of land should dictate the form of cultivation. You would not then favour the policy pursued by some Executive Committees, although I do not say it was unnecessary during the war of compelling holders of land to pursue an uneconomic policy with regard to their land?—I do not think you can do that in future. In the war you could do anything, of course. You had to get the stuff grown. It was not a question always of whether it paid or not. But I do not think an Executive Committee in the future can ask a man to do an uneconomic thing. It may ask him to do what he thinks is uneconomic; but that, if I may say so, is rather a different story. You see, one man may think it is economical to run his land as a rabbit warren. I know men who do maintain that is an economical way of handling quite good land. I hope we shall not allow it.

379. Then I understood you to say, in answer to Mr. Cautley, that market gardeners could recoup themselves by putting up the price. You do not seriously suggest that the growers of perishable fruit and vegetables can arbitrarily control prices under normal conditions, do you?—I do not mean put up prices in that sense; but they make their own market, do they not, taking it year by year?

380. I wish they could?—You have the market to yourselves pretty well. You have not been really in fact bound by foreign competition.

381. During the war, you mean?—No, before the war. We cannot argue during the war, can we?

Mr. Robbins: I should not agree with that view before the war, certainly.

382. *Mr. Smith*: Can one assume, on the answer you have given, that the farmers to-day, if they have any grievance, it is not because they have not a guaranteed price, but because they are not allowed to get the world's price for their goods?—The question of farmers having a grievance is new.

383. It is not my experience, but I will put it in another way: in so far as the industry is in difficulites?—It is the future we are looking to, are we not? We are thinking about the future. Our question is what is going to get the farmer to continue to expand his business.

384. I think we are entitled to consider present facts so far as they are ascertainable?—I see, and hear, and learn in various ways, that farmers at the present time are laying down large tracts of their land to grass, and are going out of arable farming because they dread the future. They see, at any rate, that the costs are going up, and they say, "I have no guarantee at all about the prices of my produce, so I am going to set to work to cut down, at any rate, my outgoings." We want to give them, by this policy of guarantees, I say, such a feeling of security that they will not turn the land down to grass, but will continue their arable farming. We cannot continue our compulsion of men to plough uneconomically.

385. My point was that at the present moment, if I understood the situation correctly, judging from some of your answers, it is not the guarantee at the moment that would do the industry any good, or giving the farmer a guarantee at the moment because he is complaining of restrictions. I think one of your answers was that the industry was suffering to-day from the restrictions?—Do you mean this: that at the present moment farming pays at the current prices and the current prices of labour?

386. No. I merely want to ascertain whether it was the fact or not that at the moment it is not the absence of the guarantee that is handicapping the farmer?—No.

387. The present world prices are satisfactory to him, or would be if he could get them?—That would be very satisfactory, if he could get them.

388. What is your view as to how far these prices are likely to change?—As I have explained, I am more of a believer in prices rising than many people are. I see, I think, reasons, which I tried as well as I could to define, for a continuance of high prices for some time to come.

389. I understood you to say that the development of land which produced the cheap wheat had almost reached its limit before the war?—That is my own private opinion.

390. I was just wondering how far it had any bearing on the situation in the direction of per-

getting, if not these full prices, the prices to be maintained at the level they have been in the past? What I should like to see is these guarantees never in operation. I should like to see such guarantees as would encourage the farmer to go all out to extend his cultivation, and so forth; and yet the course of prices be good enough to prevent the guarantee from ever calling upon the Government. I do not want to fix such a level of guarantees that the Government must have to pay.

391. Could you tell us how far the industry has been handicapped in this country by lack of adequate transport?—Some forms of the industry have been very much pinched by bad transport. I think it would be familiar to anybody, say, in the fruit and vegetable market gardening business that transport was a very serious handicap on some.

392. Coming to the question of the Corn Production Act, is it fair to assume that the Board, in framing its proposals, considered not only the general interests of the country, but also, if one may say so, the special interests of the labourer and the farmer as well?—We tried. Really the endeavour of the Act was to give to the farmer and to the labourer a measure of security, a sound position, and then, as either of those securities might involve some expense to the State, to give to the State its return by saying: "We shall require from the farmer such and such a standard of cultivation." We do away with the idea that a man may do what he likes on his own land.

393. I think I understood you to say that you considered that one of the essential conditions of the industry was that labour should be well paid?—Yes, properly paid.

394. Do you consider that the 25s. fixed by the Act was an adequate wage for the labourer at that time?—It was a great deal higher than was being paid. You must again remember that we did not propose 25s. as the rate of wages to be paid, but as a minimum; if we could ensure that it would be doing much for the position of the labourer. Even at that date, we had evidence before us that rates of about £1 and as low as 15s. were still being paid.

395. Is one entitled to assume, further, that the Board had the idea that that rate would be increased by the provisions of the Act?—We knew that it would be increased by the normal play of economic forces; because we knew it was actually exceeded at the time in certain districts.

396. I think the constitution of the Wages Board and the District Committees might be taken as evidence that they anticipated there would be some adjustment, and that wages would rise from the 25s.?—Exactly. We never laid down 25s. as a wage that was to be paid.

397. According to the other sections of the Act fixing the price for corn, the price for the first year was fixed at 60s., and then there was a reduced figure for two further periods, 55s., and ultimately 45s. Can you tell us what the Board had in their mind by reducing the price of the corn, and at the same time anticipating a rise in the wages?—I can tell you what we had in our mind. We had in our mind the fact that the price of corn at the moment was very much higher than the 60s.; and what we should like to have looked to was simply the future, the price three or four years hence, leaving out of account the price for, say, 1917, 1918, and 1919, because we knew really at bottom that those were going to be high prices due to war conditions. But we had to put a figure in as a figure which, under conditions, we felt would encourage a man to feel he could employ labour and produce with safety. You see the situation changed so rapidly about that time. Figures were made nonsense of, I mean, as soon as they were written down.

398. I would like to suggest to you that it seems rather strange the Board should anticipate and make provision for a higher wage than was fixed in the Act of 25s., and at the same time provide for lower prices for corn. I should like to ask you whether that can be taken as an indication that the Board were convinced that there were other economies that could be effected in the industry?—No. If I may say so, we were thinking solely of the point of security I am speaking of. The 45s. that was our ultimate figure for wheat was not the figure that we expected wheat to be sold at. As I was saying, it was not the price at which we thought wheat ought to be produced by the farmer or could be claimed by the State, but a sort of security price below which we thought the farmer ought not to be pushed down.

399. Even then, do you not think it is somewhat strange that the price of the corn should be reduced whilst the wages had a tendency to increase?—We made no provision for an increase of the wages.

400. You provided machinery which rather suggested that possibility?—And the same machinery, if you follow the same reasoning, could also lower the rate of wages, could it not?

401. I do not know whether it could or not, under the Act—whether or not the 25s. is not fixed?—Yes, our 25s. is the minimum; but you are saying we had provided machinery for the wages to go up above that. So we did. The same machinery which could raise it to 30s., 35s., and so forth, could also bring it down, if it is a mere question of machinery.

402. I do not know what the idea of the Board was; but it seems strange to me that, on the one hand, they should contemplate high wages, and then fix a lower price on the other hand. One would have thought they would have maintained the price; and it rather suggested itself to my mind that they had in their mind the idea that there were some other adjustments that could take place in the industry and still make the industry a paying proposition on those figures?—I am afraid you are reading more subtleties into this than were in the minds of the somewhat harassed legislators at the time.

403. On the question of the farmer and farm manager, do you agree there is an exact comparison between a manager of what one may call a large industrial farm and the farmer himself on a smaller farm, as regards duties and services?—I do not quite follow for the moment.

404. It is following up the point asked by Mr. Parker as to items that should be allowed to enter into the cost of production. I want to know, in that respect, whether a farm manager, acting on behalf of a company as a paid servant, can be compared, from the point of view of cost, with the farmer owning his own farm; because it is not merely a question of remuneration, but it is a question also of services rendered. Are the two comparable in that sense?—I think you can dissect, if you so wish, the services of the ordinary farmer in three directions. He is the lender of capital on which he is entitled to a return merely as a capitalist, and he is a manager, on which he is entitled to a return, and then he is also the entrepreneur of the whole farm.

405. But do you agree that the positions are similar in the sense that the two ought to be counted on the same level from the point of view of income to be charged on the business as part of the costs of production?—I would not say that the whole of the return of a small farmer, say a farmer of 200 acres, which he derives from the farm, is manager's salary. As I say, only a part of his return is manager's salary, because you can ask what could you get it done for elsewhere. Applying pre-war figures, you could say: "I could get a farm managed for something between 5s. and 10s. per acre."

406. Would it not be true to say that the farmer would still be paying labour that would be doing at least some duties that would be done by the manager on the other farm; and therefore it would not make their two positions comparable as to what they would actually take out of the business?—No. From that point of view, I would say the paid manager does exactly what the farmer does, and the farmer does exactly what the paid manager does.

407. Do you think their duties would correspond?—Certainly.

408. And that if there was a market in the district every day of the week, the farm manager would

go there?—He would go just as often as his business demanded it. It is quite possible that with a big business you might do away with the attendance at the small markets.

409. You mentioned that nothing had been given the farmer during the war; but as a result of the restrictions much had been taken from him. Is it true to say that the farmer has been taxed in the same way as other industries? Has the taxation he has had to bear been the same as that of other industries?—No; he has not been carrying any excess profits.

410. *Mr. Walker*: May we take it that so far as you are personally concerned you do not favour a sliding scale as to wages such as has been referred to this evening?—As to a sliding scale between wages and guarantees I find difficulties.

411. And you personally do not favour it?—Personally, no.

412. And you cannot, of course, commit the Board?—Certainly not, because the Board has not got an opinion as yet on that point. I mean, our only opinion is that it is extraordinarily difficult to see how you could calculate such a thing. It is really one of the questions the Board asks this Commission to explore for them.

413. So far as the present guarantees are concerned, is it not a fact that some conference or arrangement was entered into just prior to the introduction of the Bill, and that reference was made to this kind of bargain, whatever it was, on the floor of the House itself; and that when the position was challenged as to where the agricultural worker came in, considering he was in the Bill to a certain extent, there was no reply, but the statement was definitely made that there was an arrangement of some sort so far as the real guarantee was concerned. Is not that a fact?—Whether there were statements made——

414. On behalf of the Government?—I do not think so.

415. Hansard will prove it?—It is 2½ strenuous years ago; and all I am clear about is that no bargain was made between any party representing the farmers—say the National Farmers' Union—and the Board of Agriculture, representing the Government.

416. My point was that so far as any bargaining was concerned, if there was a bargain struck between the farmers on the one hand and the Board on the other, they got something as the result of that bargain that evidently was agreed to. That is why I refer to the matter. We understand clearly that there is no attempt to correlate the wage fixed under the Corn Production Act with the guaranteed price given to the farmers under the Bill at the present moment?—No.

417. No attempt whatsoever. Is it the decided policy of the Government or the Board of Agriculture that there must be guarantees under certain circumstances?—Yes; we believe that if we are to maintain the position of a minimum rate of wage, which must be paid, you must give a corresponding security to the farmer.

418. That is the decided policy of the Board?—Yes.

419. In your main evidence, in paragraph 5, is there not just too much connection here between wages and prices? I would like you to explain that further?—Do you mean where I say that the State has no basis of principle on which it can determine what wages ought to be, or what prices ought to be?

420. Yes?—That is our position, as it were: that we are not prepared to say that wages ought to be £3 a week, or £5 a week. We are prepared to say they ought not to be below 25s. a week, and to that extent we are prepared to go against £1 a week. But what we mean to say is that we do not see a logical basis for stopping at £3, £5, £10, or anything: that there is no basis of principle. In the same way we see very great difficulties, difficulties that are almost insuperable as long as you maintain our present system, of saying that wheat ought to be sold off the farm at 60s., 70s., 80s., or any fixed price. All through this war, and this price-fixing time, we have seen the very great difficulties and inequalities that result from fixing prices at which things have to be bought and sold; and so we want to see a play of the market in these prices. But we want to provide, as I say, a security that the play of market shall not ruin the farmer or, of course, throw labour out of employment.

421. During the passage of the Corn Production Bill, you will admit, I suppose, it is a fact that Lord Ernle emphasised the fact on more than one occasion that the 25s. was a minimum?—Yes, it is.

422. And that it was left to the workers, through their organisations and otherwise, to bargain collectively to raise that minimum?—Yes.

423. So it was there anticipated that that minimum might be raised; and as a matter of fact at that time, as you have already stated, there were many districts paying more than that?—Certainly.

424. And as far as the minimums at the present moment are concerned, up and down the country the minimums fixed by the Wages Board are exceeded. I suppose you would admit that?—Of course, we know that a great many wages are above the present minimum.

425. So far as unremunerative farming is concerned, could you give us your view briefly as to why that is so in some cases? I have in my mind, for example, three points—efficiency, intensive cultivation, and the question of transit?—Are you speaking of individual farmers or of farming groups?

426. I am speaking generally; because you generally get the statement that farming is unremunerative, and there might be a cause. It is to find out that cause. I have mentioned three points that I would like your views upon, particularly transit?—I do not think in the hands of the reasonably skilful men farming has been unremunerative of late. I do not think it was immediately before the war. It is that time one had better go back to in one's mind. Farming was earning a reasonable rate of remuneration then. It was not as good in certain districts as it ought to be, or in certain individuals. I would not like to speak of individuals, because we know all men are not equal in their performances, and so forth. You cannot expect an equal level of efficiency. But one certainly saw certain districts where one thought the type of farming might be improved, and that the general method followed was not what the best farmers would carry out. We believe there are improvements of that kind possible at the present time; and our whole educational campaign which we are intensifying very considerably, is directed towards the improvement of farming from that point of view, by administration and by education and persuasion to show men that there are improvements possible. But we do say that at the back of all this educational effort you must give the farmer a sort of feeling that he has embarked on a reasonably secure line of business that is not going to be upset by some cause entirely outside his own control. I speak now as a man who began to teach in connection with farming in 1892. When I first came amongst farmers teaching, I found the difficulty one used to meet was this. They said: "I have had such a knock-out. Prices are going down year by year. I have lost money. I see so-and-so ruined on every side. You must not ask me to try experiments, or to try any of these new things, or to spend much money. The only safety is to sit tight and to reduce my outgoings." Now nothing did more harm or made it more difficult to anybody like myself trying to teach the application of science and improved methods than this feeling that people were living upon the edge of a precipice which might crumble under them at any moment. You never knew what next year's prices were going to be. We

do say that you must offer some security to the farmer, in this reconstruction time in particular, when we are trying to get men to start improved methods and to have courage in dealing with their land and to embark more capital in it—and, mind you, we are enormously in want of more capital in farming at the present time. None of that extra capital will come, and none of the extra enterprise will be entered upon without confidence and a feeling of security. Therefore we say, even if our guarantees are not really needed, because we have reasons to believe that the course of prices will in itself be such as to make farming remunerative, let us have these guarantees in order to get the confidence of the operators. I do not believe myself that farming can be permanently prosperous if it has to live on the prices that the State guarantees to it. It can only be permanently prosperous on the prices that it can make in the open market; but for all that, the existence of the guarantees may be of great assistance to the industry and may be of enormous assistance in starting it up at the present time.

427. Do you know of any other industry where good wages and good conditions prevail that has suffered in any way as the result of those good wages and good conditions?—No. I am entirely a believer in good wages.

428. Would you favour a policy of so many workers being employed to the acre, taking into consideration, of course, the nature of the soil?—You mean of laying down a condition on the occupier of the soil that he must employ so many people?

429. Yes, according to the nature of the soil?—And suppose he said he would not, what then?

430. I have asked your opinion? I want to see what follows. You can lay down this condition as one of the conditions of holding the land. Supposing the man says: "I cannot do it. You have told me to employ four men. I can only take three"; what would you do with him?

431. If you will allow me, that question rather leads up to my next, which was: Do you think with proper application we can produce sufficient cereals in this country to meet our own requirements? The last question and that bear one on the other?—I do not think we could. I have calculated this question out at length at times. I know we could in a sense, and it is humanly possible to do so; but I rather doubt, in fact, I more than doubt, that we can do it within 10 or 15 years, or that we can do it economically with the material we have at our disposal.

432. But, of course, you would agree that the Government could take powers to see that land was cultivated as it does now through its county agricultural committees?—Yes; we can take our powers but we cannot find the men. If you will guarantee me an unlimited supply of Mr. Overmans, I will cultivate the country for you as you want it cultivated, and grow your requirement of cereals; but if you ask me as an administrator to turn this or that farmer out if he will not employ a sufficient number of men, I simply say that we would soon come to a deadlock, because I have not the men to put in their place.

433. I do not think it is the experience at the present moment that the men cannot be found?—I have been looking for farm managers of late, because we are rapidly extending the area that is being cultivated by the Board; but they are not so very abundant, men to whom you will entrust the farming of a couple of thousand acres of land with confidence. They have to be grown.

434. You would agree that the county executive committees did good work in that direction in seeing that the land was properly cultivated?—First rate. They have been a most stimulating and valuable influence.

435. And it would be a good thing to continue that work?—Yes.

Chairman: Thank you very much, Sir Daniel, for your most valuable evidence.

(*The Witness withdrew.*)

SECOND DAY,

WEDNESDAY, 6TH AUGUST, 1919.

PRESENT:

SIR WILLIAM BARCLAY PEAT (*Chairman*).

SIR WILLIAM JAMES ASHLEY.	MR. F. E. GREEN.
DR. C. M. DOUGLAS, C.B.	MR. J. M. HENDERSON.
MR. G. G. REA, C.B.E.	MR. T. HENDERSON.
MR. W. ANKER-SIMMONS, C.B.E.	MR. T. PROSSER JONES.
MR. HENRY OVERMAN, O.B.E.	MR. E. W. LANGFORD.
MR. A. W. ASHBY.	MR. R. V. LENNARD.
MR. A. BATCHELOR.	MR. GEORGE NICHOLLS.
MR. H. S. CAUTLEY, K.C., M.P.	MR. E. H. PARKER.
MR. GEORGE DALLAS.	MR. R. R. ROBBINS.
MR. J. F. DUNCAN.	MR. W. R. SMITH, M.P.
MR. W. EDWARDS.	MR. R. B. WALKER.

SIR HENRY REW, K.C.B., Assistant Secretary of the Board of Agriculture and Fisheries, and Deputy Chairman of the Agricultural Wages Board, Called and Examined.

Chairman: I will ask Mr. Smith to begin.

436. *Mr. Smith*: You refer in your *précis* to a number of statistics.* Are those available, as I do not know that we have seen them?—Yes, they are. Perhaps I should say that I am not, strictly speaking, offering evidence at all, but I am simply presenting myself here to the Commission telling them what figures and sources of information are available which may bear on their inquiry. But unless I have any direct wish by the Commission to deal with these figures in some particular way I thought it was hardly worth while my putting them together. The Commission having to deal with the economic prospects of agriculture, I did not know and do not know, of course, how far they desire to go back on the past history of agriculture with which these returns are concerned.

437. *Chairman*: Will you allow me to put in your statement without reading it?—If you please. Might I just add, that I have enumerated therein five sets of documents which may be of interest to the Commission. To those I would like to add two publications by the Board, one a report on "The Decline in the Agricultural Population of Great Britain between 1881 and 1906"; and another, a report on "The Migration from Rural Districts in England and Wales," that being a report prepared in 1913, just before the war.

438. Will you put those in?—Yes.

439. *Mr. Smith*: In the investigations the Board have made from time to time, is there anything available in the way of statistics or information bearing on the cost of production in the industry?—No. The statistics, generally speaking, do not throw any light on the costs of production, that is, the costs of production of particular crops.

440. Is there any information available as to any particular way in which the industry is handicapped by the absence of any facilities; I mean, such as transport and things of that description? Is there anything available at the Board which shows how far the industry might be handicapped by lack of certain facilities?—I cannot think of anything definite that could be supplied in the way of statistics on a large scale.

441. Could you tell us whether the Board have recognised at any time that the industry is handicapped because of the absence of certain facilities or machinery or anything of that kind?—I am dealing, of course, with statistics at the moment. I do not know that the Board have recognised that the industry is handicapped because of the absence of statistics except in one respect, and that is that what is called the census of production which was taken, so far as agriculture is concerned, and also so far as industry is concerned, for the first time in 1908, a periodical return of that description would, I think, be of considerable value to the agricultural interest. It had to be suspended during the war. We are hoping to resume it as soon as circumstances are favourable.

442. Is there information available from the Board in regard to the cost of production in farming as between the different kinds of farming?—No. There was a paper presented to Parliament, which no doubt the Secretary of the Board dealt with yesterday, as to the cost of growing wheat; but beyond that, I cannot say there are any statistics available bearing directly on the cost of production. You, of course, are familiar with the report of the Committee of the Wages Board that I am bringing to your notice; but that hardly can be described correctly as one of the statistical returns of the Board of Agriculture.

443. I suppose the Board were practically responsible for the framing of the Corn Production Act, when it was introduced in the House of Commons as a Bill? I should prefer that questions of that nature with regard to the preparation of the Corn Production Bill were addressed to the Secretary. It so happens I was not at the Board at the time.

444. You could not give us any information on that point?—No; I should prefer that those questions be answered by the Secretary.

445. Could you tell us how far, in your opinion, the industry is handicapped by the lack of adequate transport?—I think at the present moment agriculture, like all other industries, is very seriously handicapped. In my belief the difficulties under which we are suffering, speaking in the broadest sense, are very largely, if not mainly, difficulties of distribution rather than of supply.

446. And if there were an adequate system of transport which enabled markets to be reached more readily, it would be of considerable help and advantage to the industry?—Undoubtedly.

447. *Mr. Walker*: Did I understand you correctly to say that you are not altogether prepared to give evidence apart from the returns mentioned in your *précis*?—I am open to answer any questions within my capacity and within my scope. What I said was that I was not prepared to answer questions with regard to the share which the Board took in the preparation of the Corn Production Act.

448. I take it that we can have all those returns sent to each Commissioner which you refer to here?—Certainly; though all is rather a large order.

449. All referred to, I said?—I do not know whether you want all the annual returns since 1866. Any returns the Commissioners desire to have, of course, they can have.

450. Any particular one which we wish to have?—Certainly.

* See Appendix No. 1.

451. Might I ask you what your personal views are with regard to the guarantees given to the farmers so far as the cereal crops are concerned?—In what way?

452. Do you favour those guarantees?—I think that if the State agrees that it is necessary to support agriculture in the national interest, that some system of State support must obviously be devised; and so far as I am concerned, I cannot think of a better system than that which is embodied in the principle of the Corn Production Act. Of course, it is entirely a controversial matter as to whether that is or is not the best method of supporting and maintaining agriculture above the level to which it might fall under ordinary economic conditions.

453. Without admitting that farming is unremunerative, has any other system been considered, to your knowledge?—Several systems must necessarily have been considered. As we all know, for a great many years systems of tariffs and bounties have been considered as possible means of maintaining agriculture.

454. At the time the Corn Production Bill was being framed, were those other considerations taken into account? Was consideration given to any other method at that time?—As I have already said, that is really not within my knowledge.

455. *Mr. Robbins*: You referred to the agricultural output of Great Britain. Have you information at your Department that would enable you to bring these tables to date?—Yes, we did collect a further return, which was interrupted, and it may be now at this date hardly worth while completing that return. What I should hope to do would be to make a fresh return as soon as possible.

456. It would not be possible without a great deal of trouble to go through Table I. up to date, which gave the acreage under each group of holdings, also showing the portion under arable and that under grass?—Yes, that could be done without difficulty. But might I suggest to the Commission that in the first section of the report to which I have drawn their attention, on the wages and conditions of employment in agriculture, will be found a survey of farming which I submit gives fairly up-to-date information, and an analysis of available figures, which would probably answer any question in that particular direction that you would want to put.

457. It had escaped my notice that it was in here, although I did not know it, as a matter of fact?—I would rather, if I may, draw the attention of the Commission to that particular section, and also to the information given with regard to the labour employed in different types of farming, size of holdings, and under conditions of different districts. I am particularly referring to Section 1 and pages 7 and 9. It gives some rather elaborate tables of persons engaged and employed in agriculture per thousand acres and per holding, and also deals to some extent with the amount of labour per acre and per holding on farms of different types.

458. Have you seen the Food Journal for July 9th, in which there is a table showing the percentages of home and imported supplies of the principal foodstuffs? What I wanted to know was, whether the figures given as to the percentages of home food supplies are based on information given by your staff?—Yes.

459. *Mr. Parker*: Can you tell us whether there is any information available at the Board with regard to the amount of capital employed in the agricultural industry?—No, there is no direct information.

460. There is no data at all on that head?—No. Estimates have been made, of course; but they are only estimates based on a certain amount of data with regard to the average capital per acre.

461. Do you know whether it is considered that the farming industry is in need of further capital generally?—Yes; I think it has always been argued with a good deal of force that farming, generally speaking, has been under-capitalised.

462. Have the Board any information with regard to the probable range of world prices for cereals in the next few years? Is there any information available as to what world prices are likely to be?—I think we have access to all the information that it is possible to have on that point; but in the nature of things it is entirely speculative.

463. Do you consider that security of tenure, coupled with some guaranteed security with regard to prices, would attract more capital to the land?—Yes, I should say so.

464. *Mr. Nicholls*: I only wanted to ask in this connection, from your knowledge, whether much the larger proportion of labour is employed where there is less cereals and more land under other kinds of cultivation, such as potatoes and those particular crops?—Broadly speaking, I think it can be shown that the more intensive the cultivation of the soil, the more labour.

465. And the least employed in the dairying areas?—Probably the purely rearing areas or cattle-breeding areas would come out lowest in the scale of labour employed.

466. I am referring now to per acre?—Yes.

467. *Mr. Lennard*: Can you tell us with regard to the annual returns of the produce of certain crops, returns which I understand are summarised in the agricultural statistics published, whether they are calculated from samples or are based on actual totals?—No; they are collected through our staff of crop reporters. We have about 350 crop reporters, to each of whom is allotted a definite area, and who gives us a return of his estimate of the crops of each parish within his area. That estimate is obtained by personal observation and inquiries of farmers, threshing-machine owners, and so forth, by the best means he can. There is no attempt to collect samples directly; and, in fact, if there were, I think the result would probably have been more inaccurate.

468. Do you think there is any danger of these figures giving undue weight to production on the better-managed farms, because the crop reporter would naturally come first into touch with the more prominent farmers?—There may possibly be a slight tendency in that direction; but, then, of course, the better farms are generally the larger, and therefore they ought to have a rather heavier weight.

469. Can you tell us more particularly what information you have as to statistics of agriculture in the British Empire and in the foreign countries; especially have you any information as to recent agricultural developments which would give us any better light upon the probable development of foreign, or rather, extra-British, supplies?—So far as the British Empire is concerned, the statistics are now fairly good. We, of course, are directly in touch with the statistical officers of the various Dominions; and we also have all the publications of the International Agricultural Institute, which has developed its statistical service to a very marked degree. So far as foreign statistics are concerned, of course, obviously of late they have had a good many gaps; but as soon as things become normal again we shall have, I think, full information of such statistics as are collected. They are very partial, of course, as you know. In different countries and in some of the most important countries the service is clearly as yet quite defective; and so far as one or two very important countries, such as Russia, for example, are concerned, which, of course, was a very important country from the supply point of view, there have been practically no statistics worth having during the war.

470. Would it be possible for the Board to supply us with figures, say, for ten years before the war, showing the movements in the bulk of exports from various foreign countries, and the movements in the bulk of imports received by this country from those exporting countries, by which we could trace the development of the exporting capacity of various countries?—Yes. That could be done. The import and export figures are, of course, the most reliable, so far as world's supplies are concerned, and the best guide to future prospects. Just before the war

I myself in the reports of agricultural returns, attempted to deal with one or two aspects of meat supplies and wheat supplies and the prospects in the future, judging by the past; but I did not actually deal with it from that point of view, though I have in other connections, that is to say, dealing with the export figures. But if it was of interest to the Commission, I would see that information on those lines was laid before you.

471. Would it be possible to supplement that for the war period by collecting any information, for instance, as to the import into these exporting countries or into other agricultural countries which might in future become exporting countries of agricultural machinery? What I am thinking of is this. I imagine that the farmers of the Argentine, for example, if developing wheat production, would import their machinery either from Great Britain or the United States or from some other industrial country, and that the future of wheat-growing developments in such regions might be gauged for some little time ahead by observations upon the introduction into those countries of agricultural machinery. Could we for the war period supplement our information in that way?—I doubt whether the returns during the war period would be really of much value. You see the normal course of trade has been so tremendously dislocated that it might quite well be that there has been very little import of agricultural machinery into the Argentine during the war.

472. Yes; but would not that be an important piece of information if we could establish that fact? It would suggest that agricultural developments in the Argentine, for example, had been retarded because of the war, with possible consequences on the volume of supplies, and the future prices of imported produce?—It could hardly be expected to have any very immediate effect. I mean, assuming for the sake of argument, they were in the habit of getting a regular supply of agricultural machinery, and that that supply was suspended during the war, it would hardly have had time to have had any real effect on their output, and in the case of a country like the Argentine the real measure is exports. We have fairly complete returns. We have certain figures of acreage and we have certain figures of live stock, but neither figure is of very great value. Their internal statistical service is very imperfect, but the returns of exports are fairly good; and those I think are the best measure you can have of the progress of the Argentine, and of course are the only figures really which affect the world generally.

473. Have you in view any regions which have not yet been able to export agricultural products, but which may in the future send us any large mass of such products?—It is difficult to say. Undoubtedly the war has stimulated production all over the world, outside of Europe, and we have had to a small extent supplies of grain and to some extent of meat from new sources. Whether with the return to normal economic conditions those new sources, which do seem to be promising, are likely to develop, is just one of the problems so difficult to estimate. Take, for example, South Africa as being a fairly good instance. South Africa has exported more meat, and is still increasing her capacity for exporting more meat; but that has been stimulated under war conditions, and whether a return to normal conditions will enable her to continue the development or check it is just one of the difficulties one has in estimating the future.

474. Does the same difficulty apply to corn production?—Yes, I think it applies in a very marked degree to the production of corn. For example, Australia, as you know, has largely increased her export of wheat. Again, whether that will be continued in the future is a most interesting problem, and would help us very much in estimating if we knew. It will depend, of course, very largely on freight and the future supply of shipping.

475. Have the Board any information about freights and the policy of development of shipping, or should we go to the Ministry of Shipping for that?—Of course, the Ministry of Shipping could give you more precise information; but, broadly speaking, the world's shipping is now rapidly approaching its pre-war level. Unfortunately, its effectiveness is very greatly reduced. Quite broadly speaking, there are nearly, if not quite, as many carrying ships in the world at the present moment as there were before the war, but their efficiency has dropped, we might say, by 20 per cent.

476. On what ground?—Difficulties of handling, troubles at the ports, and delays in the use of ships.

477. I suppose the cost of shipbuilding will have gone up, and that would tend to make freight rates higher?—Yes, costs have notoriously gone up very heavily indeed.

478. *Mr. Langford*: Arising out of the very excellent questions which have been put to you by Mr. Lennard, you do not anticipate that the world's supply of food will be short in the near future?—My personal opinion is, no.

479. But I think the Board view British agriculture and the stimulation of it from the standpoint of security of the nation rather than otherwise?—I think so, certainly.

480. There may be a period again, if we ever get another war, when our carrying capacity may be seriously interfered with?—Certainly.

481. And that unless we put our homeland to its fullest use we may again be in a perilous position with regard to our food supplies?—Certainly. I presume the main argument in favour of maintaining arable cultivation in this country by special measures is as an insurance against risk.

482. And again, inasmuch as this country is now on the verge of bankruptcy, it is essential to grow foodstuffs here rather than send our capital away to purchase them from foreign countries?—Yes.

The Chairman here expressed the view that it was not relevant to discuss the financial position of the British Empire.

483. *Mr. Langford*: May I put it in another form? Is it, in your opinion, highly desirable and necessary that we should reserve our resources by growing as much food as possible at home?—Yes, it is; and may I say that was the only part of your question which I answered.

484. At the present moment the Board of Agriculture are farming largely?—Yes.

485. Actually farming land themselves?—Yes.

486. If in future fixed guarantees are to be given to farmers, it will be highly necessary that your Board should be able to have the cost of production of each individual crop?—Yes.

487. Is it your opinion that in order to check the costs presented to you by individual farmers, it would be advisable for the Board to experiment on the costs with care, on their own farms?—It might be advisable. I am not quite sure that it is necessary or will be necessary. As you know, there is a machinery being set up which we hope will result in getting reliable information from farmers in business on their own account, as to the costs of production of various crops. If that proves to be successful, I should rather deprecate the spending of public money on obtaining results which may be obtained otherwise.

488. But if we are to pay public money by way of guarantee to the farmers, we have to satisfy the public that that money is necessary?—I entirely agree; and if it turned out that the machinery, the Agricultural Costings Committee, should fail, then I agree that the matter would be so important that some other method should be devised for enabling us to ascertain and to check the costs of production.

489. Is not it a fact that the operations of the Costings Committee will be with regard to the farms that are farmed by the individual farmers for profit?—Certainly.

490. But in order to check the findings of the Costings Committee—not that I regard them as inclined to shirk their duty or neglect their work—but in order to satisfy the public mind, do not you think it would be advisable that certain farms should be set up by the Board on which they could check the cost of growing various crops that are grown on the farms?—I am not seriously objecting to the proposal, but I have not particularly considered it. But off-hand I am a little inclined to think that for that purpose alone, it would be unnecessary if the Agricultural Costings Committee were successful in their efforts.

Because, after all, the only thing that matters, or is of value, is, what are the costs of production by an efficient farmer conducting his business for a profit.

491. The question has been put to you as to whether it would not be advisable to extend the area of growing potatoes. Is it not a fact that very much of the land in England is not at all suitable to the growth of that crop?—I should say so, although that is a practical question on which I do not profess to be an authority. But, so far as extending the area of potatoes is concerned, we are growing at the present time, with anything like an average crop, more potatoes than we can eat.

492. If a guarantee is given to the farmer, how do the Board propose to prevent the advantage of high prices getting wholly into the pockets of the landlords by increased rents?—You say how do the Board propose?

493. Yes?—I am not here to speak of the general policy of the Board; and those questions, if they are proper questions, should be addressed to the Secretary of the Board, and I am afraid I cannot answer that.

494. It is within your knowledge that land rented at, say, a pound an acre, or so, has been recently sold at prices of £50 or £60 an acre?—Yes; I know generally that is very likely true.

495. I frankly admit that farmers have done tolerably well during the war. You would agree with me that where landlords have sold their land, they have had a greater advantage, without contributing by labour upon the land or improving it, in the high prices than the farmers have had, and have made more profit in consequence where they have sold their land?—Yes; I dare say that is so, in some cases at any rate.

496. *Mr. Prosser Jones*: I should like to have your opinion as to whether farmers who farm grass lands are more secure from any depression that may come in future than farmers who till the land?—Under the conditions existing before the war, certainly.

497. *Mr. T. Henderson*: Has your Department made any attempt to correlate agricultural prices and wages?—I do not know that we have made any systematic attempt to do so.

498. Has any attempt at all been made?—I am not quite sure what you mean; because amongst other things, that seems to me to be what this Commission has to do.

499. Yes; but has any attempt been made to set up a sliding scale?—No.

500. Any estimate at all?—No.

501. You expressed the opinion, I think, that, broadly speaking, intensive cultivation employs more men?—Yes.

502. Does that imply growing the same crops as before the method of cultivation was changed?—I am not sure I follow the question.

503. Ordinarily speaking, intensive cultivation would mean employing more machinery; and I have difficulty in understanding how more men could be employed, if improved methods of cultivation meant substituting machinery for men? When I was talking of intensive cultivation, I was thinking of vegetable crops and crops of that description rather than corn; and I said that, broadly speaking, crops of that description and the cultivation of land for crops of that description, would involve the employment of more labour. It is true, of course, that intensive farming in another sense would probably mean a greater employment of agricultural machinery; but I do not think there is much evidence to show that the greatest use of machinery per acre or per thousand acres, in itself means less manual labour per acre.

504. But it is quite possible, I suppose, that you might increase your food supply without increasing your man supply?—Quite.

505. Improvements in cultivation might not lead to rural re-population in this country?—Certainly.

506. I presume that the results of the farming of the Board will be placed before this Commission?—They are quite at their disposal, I am sure.

507. *Mr. J. M. Henderson*: I see in your précis that the main statistics are the annual return of acreage, &c., an annual return of produce, and so forth. As I take it, there is nothing in any of these which will help the Commission to the immediate object they have in view?—That is rather a matter of opinion.

508. What do you suppose is the object of our Commission? I want to get at that, because we are wandering a good deal, it seems to me?—I am not quite sure that I am a competent witness on the point.

509. What really do the Board of Agriculture hope or believe that this Commission will report, for or against the minimum, or so forth? What is the real gist of what we are after?—I am afraid I must leave that to the Commission to decide for themselves. They have their reference from the Government.

510. You say a Costings Committee has been set up. Can you tell me what that Costings Committee amounts to in numbers?—I am afraid I cannot off-hand. Do you mean the office staff?

511. I mean the staff of accountants that you mean to set loose, or have set loose on the country, to find out the facts.

Chairman: We have a witness from the Costings Committee who will be able to answer those questions better than Sir Henry.

Mr. J. M. Henderson: He might answer them with greater prepossession; I would rather get the view of Sir Henry.

512. How far has this Costings Committee started or effected any investigations on any farms through out the country?—I do not think they have actually started the investigation of any particular farm as yet. They are just now engaged in laying out the scheme of inquiry.

513. How long have they been established?—I should say off-hand two or three months, or perhaps a little more.

514. And they are still at the scheme. However, it comes to this: that this Costings Committee have submitted nothing to you, and have no data which would help this Commission to get at what they are after?—The Costings Committee so far have not furnished the Board with any facts because, as I say, they are not yet in the position to furnish them; but the Director of the Costings Committee is, I believe, coming before the Commission, and he would answer those questions more authoritively than I can because I am only speaking from memory.

515. At all events you have no result of the cost of working any farm, large or small, or the revenue from the produce of the farm, which you can submit to the Commission as reliable, on which they could base their Report?—The only definite information of that nature at all to which I can refer the Commission, is that contained in the Report of the Wages Board Committee on Farming Costs.

516. How long do you expect it will be before you get any data?—I really do not know; because it entirely depends, of course, on how far it will be possible to get accounts which have already been kept by farmers in a form in which the Costings Committee would like to have them. It is quite obvious that if the Costings Committee do commence to collect information as to current operations as from, we will say, three months ago, any figures at the end of three months would not be of much value to your Commission.

517. Sir Daniel Hall, who was examined yesterday, said that the Corn Production Act was to provide a guarantee to the farmer to keep the average price up to a certain figure. I put it to you in this way. Supposing next year the minimum price is 70s. a quarter, and suppose the world price is 60s. a quarter, the farmer has to sell his wheat at 60s. a quarter, and he then comes down on the guarantee for 10s. a quarter. Would that be so?—Yes.

518. Reverse the operation. In the year after that he sells it at 80s. a quarter. He does not come upon you for anything, but does he repay you anything?—No.

519. So it is heads he wins and tails you lose?—The giving of the guarantee may or may not be a wise proceeding, but obviously that is the effect of a guarantee.

520. That is the result of the guarantee. You spoke about potatoes. As a matter of fact, are not potatoes practically the only thing that our land produces that we ever export?—No. Our main export, in value at any rate, is pedigree live stock in ordinary times.

521. I am only speaking of crops. Is not potatoes the only thing that we ever export?—We export them occasionally when there happens to be a short crop elsewhere. In one particular year we exported, I think, a substantial quantity to America because there was a very short crop there.

522. As a matter of fact, when we have a good crop of potatoes here, is not it the fact that we constantly export them to America and elsewhere?—I think it is, relatively, a very small proportion.

523. At any rate, they do not require any guarantee for potatoes?—No.

524. If it can be shown from the accounts that farmers have for the last four or five years made good profits, would it be the policy of the Board to continue this machinery of the guarantee?—The policy of Parliament, of course, is to continue the guarantee at the present time up to the year 1922.

Mr. Cautley: Which guarantee are you referring to?

Mr. J. M. Henderson: I am speaking of the Corn Production Act guarantee.

Mr. Cautley: It has not been operative yet.

525. *Mr. J. M. Henderson*: I see in the Scotch Report there is a balance sheet of the dairy stock account in the west of Scotland?—Is that the Report of the Scottish Board of Agriculture?

Chairman: The next witness, who is from the Scottish Board of Agriculture, will deal with that.

526. *Mr. J. M. Henderson*: I am only speaking relatively Have you a similar account of dairy stock produce for England?—We have the number of cows and heifers. I am not quite sure what the figures you have are.

527. I only want to know whether you have a similar one for England. I am referring to page 33?—This seems to be a leaflet on the cost of production of live stock and dairy produce. I could not tell you off-hand whether we have one exactly similar, but we have a good many like this; the subject has been dealt with in the Journal and in leaflets of the Board.

528. If you have anything similar, will you be good enough to let us have it?—I will.

529. *Mr. Green*: With regard to American competition in this country, I understand that farmers, generally, did not take up the use of the self-binder and mowing machine until after 1872. They were in operation in the United States long before that, were they not?—Yes. I am not quite sure whether it was 1872 or 1874. I think it was first in the Royal Agricultural Show about 1874.

530. I am told that the American farms are now smaller than they used to be; and that the tendency is to approximate to the 200- or 300-acre farms in England rather than the large ones?—I should think that is the distinct tendency.

531. With regard to the produce, we know that the American average is about 14 bushels to the acre, is not it?—I thought it was a little higher than that; but I dare say you have the figure before you.

532. Can you tell us whether wages there are higher or lower than here?—I believe they are higher.

533. Do you not think that the shipping freights will be much higher than they were before the war?—I think they will be higher than they were before.

534. The cost of steel, iron and insurance will all be higher?—Yes.

535. A friend told me that he got a quotation for the carriage of wheat from California at a lower price than he could get it down from Norfolk to London in trucks?—When?

536. Before the war. Do you think that at all probable?—I should think it is rather an exceptional case; but it might have been possible.

537. He tells me he can show me figures to that effect. Then with regard to Australian competition. Are wages there higher or lower than here?—I am afraid I do not know accurately. I should say they are probably higher. Labour, of course, is very scarce there.

538. And freights will be higher in the future than they have been before the war?—Yes.

539. Would you say, with your vast experience on the Agricultural Wages Board, and with your knowledge of prices, that the fixing of prices was at all dependent upon the rate of wages?—Do you mean the prices fixed by the Food Controller?

540. Yes?—I imagine the Food Controller, in fixing the maximum prices, had regard to the costs of the farmer, including the cost of labour.

541. You think he had?—I assume that.

542. How do you account for things like this happening? In 1917, when wheat was about 80s. a quarter, wages in some counties were about 13s., 14s., 15s., and 16s. a week. There is no relation between wages and prices?—I am not sure that wheat was then at 80s. in 1917, was it?

543. Sir Daniel Hall said so yesterday, and I think he was correct. It was in June and July. Can you explain to us why, for instance, a Sussex shepherd will be getting only 25s. a week and a Northumberland shepherd will be getting 40s. a week?—Those are instances, if they are correct, of the difference in the rates of wages which prevail in different parts of the country.

544. Do not you think wages are really a matter of custom rather than of prices of produce on the farms throughout the country?—I think custom had, and always has in all agricultural matters, a good deal of influence, but I do not think that is a complete answer.

545. But that has been largely so in this country, has it not, that custom has ruled?—I think if you make a comparison, not between the wage of the individual labourer but between the total amount of the labour bill on a given acreage, you will find the difference between the underpaid districts and the higher paid districts was considerably reduced.

546. May we have your opinion as to security of tenure; that is to say, can you explain to us why farmers, who are averse to long leases, I understand, are so averse?—I think you should ask the farmer to explain that himself. The psychology of farmers is not always quite clear.

547. Then with regard to Mr. Langford's very interesting questions about experimental or demonstration farms, can you give us any information about those in Ireland? They have been very successful in, I suppose, forming some kind of costings rates?—I am afraid I have not any particulars at all in my mind.

548. I think that will be very interesting for this Commission if you get hold of any figures with regard to Irish demonstration farms, which are in almost every form, are they not?—Yes, I think they are.

549. *Chairman*: If Sir Henry could get them for us?—I do not know if the Commission are going to hear a representative of the Irish Board of Agriculture.

Chairman: It might be useful for us; but our reference is to enquire into the economic prospects of the agricultural industry in Great Britain, and not Ireland.

Mr. Green: No; but we have to deal with competition, have we not?

Chairman: Yes. If the Board have them, I have no doubt Sir Henry will put them in. If the Board have not got them, then the Commission will have to consider whether we should ask any representative of the Irish Board of Agriculture to give evidence. But I am a little doubtful, because the scope of our reference only covers Great Britain.

550. *Mr. Green*: That was one of the recommendations of Lord Selborne's Committee, was it not: that this country should set up demonstration farms in almost every county?—Yes, I think it was.

551. *Mr. Edwards*: Dealing with your immediate figures in these returns, leaving of course on one side prices, which are really no measure, have you known, say before the war and during the war, whether there has been any real progress in the quantity of produce from a given area in this country?—Do you mean over a series of years?

552. Yes, before the war and during the war?—Yes; on the whole the average yield per acre of cereal crops has increased in the last 30 years or so.

553. And the same may be true of the animal products like beef, mutton and dairy produce?—It is extremely difficult to measure it; but of course the total number of cattle has increased, and I think it is evident that the output of meat from a given number of cattle, returned once a year, has also increased. I am not speaking, of course, of the very exceptional conditions of the last year or so; but, broadly speaking, the number of cattle returned on the 4th June represents now, under ordinary conditions, a bigger output of meat than it did, we will say, 30 years ago. I might add that the same, in my opinion, and there is evidence to show it, applies to milk. In that case there is a certain amount of evidence. The number of cows of course has increased, but it has not increased proportionately to the increase of the population. I could give you the figures if you wish. The number of cows has maintained a supply to meet the total demand of milk in this country; that is to say, we do not import, notwithstanding the growing population. Therefore, as the consumption of milk per head of the population has certainly not decreased, but has probably increased within the last 30 years or so, it is clear that the output of milk per cow from the farms of this country must have increased substantially.

554. You said, in answer to a question, that it is generally considered that agriculture is under-capitalised. Do you mean capital in the hands of the farmer, the operator; or the capital, taking both the landowner and the farmer together?—I was speaking entirely of the tenant farmer's capital; the working capital of the farmer.

555. Bearing in view the revolution which is practically taking place in this country at the present moment, that is, land passing into the hands of the operator, what effect will that have on the working capital of the farming community?—The effect will be that a man with a given amount of capital can only take less land.

556. That means that the actual operator will be handicapped by the present revolution which is taking place in this country?—It does not necessarily amount to that. It depends upon the relative profit from a certain number of acres. It may be that a man who, we will say, for example, before the war employed £10 an acre, might have taken a 500-acre farm, will now only be able to take a 250-acre farm. But whether he will be better or worse off with it is a matter of opinion.

557. I am referring to this point. It is generally taken that the landowner in this country provides the capital in the shape of land, and the tenant provides the working capital. Now the change which is taking place in this country puts the burden of providing the capital in respect of the land, and also the working capital of the farm, on one and the same person?—You mean if he buys his farm?

558. Yes, which they are doing; and if they are under-capitalised now, surely they will be more under-capitalised in the future. That is the point I am driving at?—I think that is so in the case of the man who buys his farm at present prices.

559. *Mr. Duncan*: I think you made the statement that labour cost on farms where high wages were paid was not necessarily greater than the labour cost in those districts where lower wages were paid. Have you any data on that point?—I have not here or in my memory; but from time to time I have looked into that question, and I think as a general very rough statement it can be supported. I am speaking, of course, of before the war.

560. So that there is no necessary relation between the prices of agricultural produce and the wages paid?—It depends what you mean by the word "necessary." In the long run there must be a relation, I think; but if you say that looking back on the past you cannot trace any close relation between prices and wages, I agree.

561. Do the Board get any information as to the rate of wages to be paid in the various districts in England and Wales?—No. Some information has been collected in the past, at one time by the Labour Department of the Board of Trade; but it has not been brought up to date; the latest information on the subject is contained in that report to which I have already directed your attention on the wages and conditions of employment.

562. Do your crop reporters make any report from time to time as to changes of wages?—No; we have not asked them to do so up to now. We do ask them general questions with regard to the supply of labour and the position of labour.

563. So that the Board have no information as to wages over any period?—No; the Board themselves have no information, except by reference to returns collected by other Departments.

564. Coming to your work on the Wages Board, as a matter of actual practice the wages are being fixed. Have those wages been fixed in relation to the prices of farm produce?—Undoubtedly the prices of farm produce have been one of the elements taken into account by the Wages Board in fixing prices.

565. And, as a matter of practice, has the minimum rate been fixed in relation to the prices of produce? It is a difficult question to answer, and it is a specially difficult question for me to answer. There are members of the Wages Board sitting round this table, as you are aware; and the exact arguments which they advanced in support of or in discussing the particular rate of wages, of course, took into consideration the question of prices, but took into account other matters as well. It is very difficult for me to sum up the reasons which swayed them in arriving at a particular decision. I am only a thirty-ninth part of the Board.

566. May I put it in this way then, that your Wages Board fixed a minimum rate first at the beginning of this war and has since increased that minimum rate?—Yes.

567. Was the application for the increase based on the prices of agricultural produce or on the cost of living?—I think on both; I should say predominantly on the cost of living.

568. Have the Board any information as to the prices at which agricultural land has been selling within the last 12 months?—I cannot say we have not any information, but we have no systematic information as to the prices.

569. Would it be possible for the Board to give us, or to get for us, information as to the price at which agricultural land is being sold?—It is very difficult, of course. The information exists in the hands of the auctioneers or people who sell the estates. An attempt could be made. Of course very largely the figures are published; and at one time I did attempt to get some information of that sort as to sales of land. It is not very easy to get it complete; but something could be done, if it was thought worth while.

570. Could you supply us with such information as you have?—Yes, I will see what we have.

571. *Mr. Dallas*: It has been suggested here that the employers and the workers on the Wages Board might be likely to put their heads together with the object of conspiring to bleed the public by getting good prices and good wages. From your experience of the Wages Board, do you think there is any likelihood of that as a possible contingency?—No, I should say not, as the Board is at present constituted. I should not have thought that was a serious risk.

572. You think that even on the Board the interests of the public are quite adequately safeguarded?—I think it is fair to say the interests of the public and the community at large are generally a consideration in the minds of the members of the Board as a whole in any action they may take.

573. Supposing the Corn Production Act is perpetuated for some years, could you suggest any method whereby the public interests would be safeguarded; that is to say, the public money would not be spent upon subsidising farmers who would not care for the

general interests of the community?—Do you mean that the subsidy should not be paid to farmers who were not, so to say, doing their duty by the land? Is that your point?

574. Yes?—I think that is provided for by the principles of the Corn Production Act already. There is power in the long run to eject a farmer, if it is thought he is not dealing with the land properly.

575. Do you think the Corn Production Act generally does that?—Yes, I should have thought so.

576. *Mr. Cautley*: I have one question on your *précis*. Towards the middle of it, you submit a table showing at five-yearly intervals the changes in the acreage of cultivated land, arable land, corn crops, wheat, potatoes, vegetables and small fruit crops. I have not had the advantage of seeing it yet; but can you tell me, does that in terms show any relation between the rate of wages paid and cultivation?—Are you referring to Table 2?

577. I have not seen the table yet, but it is (*a*) in your *précis*. Does that return show any relation between the rates of wages paid in agriculture at those particular periods?—No.

578. You cannot deduce anything from it?—Perhaps I might explain to the Commission what this table does show. It shows in the years 1893, 1898, 1903, 1908, 1913 and 1918 the acreage of cultivated land; that is to say, the total quantity of land under crops and grass. That is the farming land of the country. It shows also the total amount of arable land, the total amount of land under corn crops, under wheat, under potatoes and under vegetables (though those figures are not strictly comparable) and under small fruit. The object of that table is solely to show what has been the progress with regard to the utilisation of the land of the country under these main headings. I may add that the only table which I have submitted which touches on the point of labour is the second one, which shows you the cultivated land at each census year from 1881 to 1911, for England and Wales respectively, alongside the number of agricultural labourers in England and Wales respectively.

579. I was asking about the rate of wages. Have you any return showing the rate of wages paid in those years for which you get a return of the cultivated land?—There are returns of rates of wages, which, as I said just now, were collected by the Board of Trade. Whether they are for those particular years I could not tell you offhand; but there are certainly some returns.

580. Is it not a fact that during the periods of depression, when land went out of arable cultivation, the number of labourers and the rate of wages steadily diminished?—Yes, I think so.

581. And was not that due to the fact that growing corn and cereals was unremunerative?—Yes; the diminution of the land under arable cultivation was, of course, primarily, if not entirely, due to the unremunerativeness.

582. Even though wages were reduced to the very low level they got to?—Yes; but I am not quite clear, at the period of which you are speaking, whether there was a reduction in the wages as compared with the arable land.

583. I think you will agree that wages got down to the smallest possible point where people could live in health, and the very plain living which the agricultural labourer had?—Yes, a very inadequate wage. The period you are speaking of is about the middle of the 'nineties; but, if I remember rightly, that was not the worst point for the agricultural labourer.

584. Which was the worst?—In the 'seventies, I should say. I am speaking again offhand; but I should have said the average wage of agricultural labourers in the 'seventies was worse than it was in the 'nineties.

585. Despite the very low wages which were paid, agriculture and arable farming could not go on?—Yes, that is true.

586. Under the Corn Production Act the machinery has been set up for fixing a minimum wage?—Yes.

587. If the Government forces on the employer the payment of a particular rate of wages, is there not a duty on the Government, in your opinion, to put the farmer in such a position as to enable him to pay that wage?—Yes, I should say so, as a general principle.

588. And with that idea, we have been told a minimum wage was fixed below which you should not go in the Corn Production Act, and a corresponding guarantee. That was in 1917. We know that the minimum wage below which it could not be fixed was 25s., and the guaranteed price for 1920 is 45s. for wheat. Leave out the corresponding price for oats. If that is so, you would agree with me, I take it, that as the minimum wage has very much increased, that guarantee, if it was right then, must be hopelessly wrong now?—Yes; if the two were intended to be adjusted, one by the other, it is, of course, obviously out of relation now.

589. But the Act was to adjust them?—As I have said, I am not prepared to say what was the object of the Act.

590. Was there any other reason for giving a guarantee, if it was not to adjust them?—I did not know it was argued that the only reason for the Corn Production Act was to allow a minimum wage to be fixed for labourers.

591. What other reason was there?—The general reason at that time of increasing the amount of arable land in the general interests of the country. That was the object of Part I, I take it, taken by itself.

592. You do not suggest the guarantee was to give an undue profit?—No, I do not.

593. Just to make this clear, you would agree with me, I think, that the guarantee under the Corn Production Act has never been operative since the Act was passed?—That is so.

594. And that such maximum and minimum prices, as have been fixed for agricultural produce, have been fixed under the powers of the Defence of the Realm Act?—Of course, the maximum prices have been fixed under the powers of the Defence of the Realm Act.

595. And the minimum, too?—I am not sure that any such power is required to fix a minimum.

596. There is a minimum price fixed for this year?—A minimum price is the guarantee.

597. I suppose you do not know how it is going to be fixed?—Are you speaking of corn?

598. Yes?—Yes, the guaranteed price fixed by the Government.

599. I suggest to you there has been no Bill brought in; there is only a Ministerial statement at present. However, I will not trouble with that. I understand you are Deputy Chairman of the Wages Board?—I am.

600. Will you tell me the average agricultural wage to-day?—It is not quite easy, and I am afraid I have not the exact figure. Of course, it is not uniform throughout the country. As a generalisation, the lowest wage is 36s. 6d. at 21.

601. I am only speaking of men who are 21. Should I be right in saying it is about 40s. or 41s.?—I do not think it is as high as that; it is approaching that.

602. Have you made any calculation as to what is the increase in the average wage now, as compared to what it was before the war, after allowing for reduction in hours and for overtime?—No; but if I remember rightly, the average before the war was about 17s., including allowances. The present wage of course also includes allowances.

603. I put it about 41s. You think it is not quite so high?—I do not think it is as much as that.

604. Perhaps you will get it for us?—Yes, I will; but your neighbour knows.

Mr. Ashby: They are all in the White Paper, except the last increase.

605. *Mr. Cautley*: What I put to you, and will you tell me if I am correct, is that the average wage, after allowing for the shortening of the hours and the overtime, that will have to be paid to bring up the hours to what they were before the war, has increased 200 per cent?—No, I could not accept that without looking into it.

606. I thought you would be the person best able to give them to me. I want these figures checked? I will be very glad to check them and have a statement prepared for you; but I was not ready for it.

607. I suggest, taking into account bringing up the hours to what they were before the war and charging the extra hours now at the overtime rate, the wages have increased 200 per cent. You would agree with me that the cost of machinery and the implements used by a farmer, have increased at least 250 per cent. since just before the war?—No. As a matter of fact I am handing in to the Commission a fairly elaborate statement brought up to date from the Report of the Farming Costs Committee.

608. I prefer to-day's figures to those figures?—It is to-day's figures I have got. I have brought these figures up to May this year.

609. There has been a good deal of change since May, I believe, about machinery; but I am not giving evidence? I should have thought that was doubtful; but I cannot say definitely.

610. Do you think I am overstating it when I say it has increased 250 per cent.?—Yes, I think so.

611. I put it to you it is more than that, in many cases?

612. *Chairman*: Will you put in the information, if you have it?—Yes, I will put in what information we have.

613. *Mr. Cautley*: Should I be right in saying that feeding stuffs have increased at least 200 per cent.?—Yes. I should think that that would be so.

614. Speaking generally, then, everything that a farmer has to buy has increased, I put it, from 250 per cent., and I go further even to 300 per cent.?—If I may say so, I think you are a little overstating the figures; but something in that direction.

615. The only one you suggested I was overstating was machinery?

Mr. Dallas: And wages.

Mr. Cautley: No, he did not suggest that.

616. Let us take the selling price. Is every item that a farmer has to sell, except eggs, controlled in price?—Yes, I think that is so.

617. If a farmer had the play of the market, he would be getting very considerably larger sums for everything he grows on his farm, except eggs?—Yes, substantially, that is so.

618. Therefore, instead of the farmer being subsidised, the farmer is subsidising the Government?—I do not know about the Government.

619. The country?—Yes.

620. The Government stands for the country. Have you got, or could you get, a statement of the present controlled prices of all agricultural produce?—Yes.

621. And we could have that up to date, I mean?—Certainly; only you would get it more directly from the Ministry of Food, I think.

622. Should I be right in saying that those prices are only about 160 to 180 per cent. up, on the average?—As you know, it is extremely difficult to make an average.

623. It is more difficult for me, a layman and not an expert. If you have not it in your mind, I would rather have the accurate figures handed in some time else?—As I say, in this statement which I have brought to date, which gives the average prices of the main farm products, I have given the figures comparing June, 1913, to May, 1914, that is to say, the June of the year just before the war, with the year ending May 31st, 1919.

624. Does that show the increase?—It shows the prices year by year and the percentage increase, showing the pre-war as 100.

625. Does that show the increase in the price of beef, fat cattle, from what it was before the war, and the 31st May this year? Yes: these are 12-month averages.

626. What was the percentage increase in the price of beef? 113 per cent. I have the index number here.

627. That is a fanciful figure. I am not so very partial to experts myself; I like practice. Could you tell me the selling price of beef before the war, the selling price for the year ending 31st May last? I suggest it is not as large an increase as that?—Not as 113 per cent.?

628. No, nothing like it?—I have not the actual figure here.

629. Anyway, it is no good my taking each one in detail, because I have not them worked out and I was relying on you; but you think Sir William Beveridge will give it to me?—No; if you want the increase of prices since before the war, of course we can give them to you. I am saying what you can get from the Food Controller is the prices they have fixed as maximum prices.

630. If I am right that everything the farmer has to buy has increased from 200 to 300 per cent., and that everything he has to sell has only increased from 100 to 150 per cent.—I do not know quite, but the average is much below 150 I should say—does not that show that his industry must be much less profitable than it was?—No, I do not think it does, by itself. It may be true, but it does not show it.

631. Would you explain what you mean by that answer?—It depends on the quantity he buys and the quantity he sells; and, if I may say so, that is one of the traps of percentages.

632. I am not dealing with any special farmer; but does not the normal farmer buy and sell about the same quantity each year, allowing for a bad year and a good year? Have you farmed yourself ever?—No.

633. I put it to you, if you have knowledge from other people who have farms, are not the average amount the farmer sells each year and the amount he buys practically very much the same?—I should think that is so; but, with submission, I do not think that is quite relevant.

634. Will you explain what you mean by your last answer?—I mean that on a given acre of land a man will get, we will say, four quarters of wheat. A rise in the price of that, whatever you may put it at—150 per cent.—has no necessary relation as regards profit from it to a rise in the price, we will say, of the artificial manure that he puts on that acre.

635. Just think. Does not the whole cost of growing wheat consist of labour, the use of machinery, and the use of his foodstuffs to make manure, and the use of artificial manures to fertilise the land; and, except for rent, have not I included every item that a farmer has to spend, and is not the cost of wheat made up of those very items, and the only profit he gets the difference between the cost of those items and the price he realises in the market?—That is perfectly true.

636. Surely you must modify your answer, when you said that what a farmer buys and what he sells has nothing to do with the rate of profit he makes?—I did not say that at all. What I said was that to make a comparison is not to take a percentage increase on particular items; but you want to have the actual amount spent on each of the items and received for the different items, and then you will get the balance.

637. Of course I agree with you that you want to get the exact amounts. To go back to where I was, I suggest to you that these enormous increases on what the farmer has to pay, compared with the relatively less increase of what he has to sell, has made his position worse in the future than it was before the war?—That is an impossible question; I cannot tell you. Of course, if you were right in saying that at the present level of prices it is impossible to make a profit on farming, then it follows that if the present level of prices both ways continues the same, it will still be impossible to make a profit on farming.

638. I do suggest it is impossible; and it is only rendered possible by the prices fixed under the Defence of the Realm Act. Would you agree with that?—No. As I said, the prices fixed under the Defence

of the Realm Act are maximum prices; and those maximum prices, obviously, are not in the interests of farmers. It is no interest to farmers to have maximum prices fixed.

639. That is quite true; but the public demand, and I think rightly, is that they should be fixed?—I hope not indefinitely.

640. I agree with you. The war period is no index of what the agricultural future will be; and I am putting it to you, if it were not for the prices now, mixed farming could not be carried on under the guarantee given by the Corn Production Act? If you do not like to answer that, I will put to you a simpler question. In other words, is not it impossible to grow wheat to-day at 45s. a quarter?—Yes, at present prices it is impossible.

641. And, in your opinion, is it not impossible to grow wheat at 45s. next year?—Yes; provided the prices the farmer has to pay remain the same, I quite agree.

642. Do you anticipate the prices he has to pay are going down for next year?—That is a difficult question, of course.

643. Do you anticipate that wages are going down?—No, I do not anticipate that.

644. Mr. Dallas says that they are going up?—That is not for me to express an opinion on.

645. You are Vice-Chairman of the Wages Board?—Yes; but I am not controlling all their actions in the future.

646. Do you suggest that the prices of machinery is going down, and the cost of carts, wagons, self-binders, ploughs, and those sort of things?—Of course those sort of questions are extraordinarily difficult to answer under present conditions.

647. You have the privilege of being an expert; I have not?—No; I disclaim that title in any connection, certainly in regard to the cost of carts. What I was saying was, that if you asked me what fall there is going to be in the case of any of these articles next year, it is almost impossible to say, under present conditions. My general belief is that prices will go down, unless they are interfered with, so to say, by some extraneous causes.

648. Ultimately, of course, they will go down. We are only concerned with the immediate future?—For the immediate future, it is very unlikely, I think, that anything which the farmer has to buy is going down.

649. At any rate, you have told me that 45s. is an impossible price, and I entirely agree. I understood you to say you cannot suggest any other way of protecting the farmer, or I will not say protecting him, but putting him in a position to pay present expenses, except by a guarantee. You have no other system to suggest than that?—No, I can think of no other better way of doing it.

650. If a guarantee becomes operative, it means a subsidy to the agricultural industry?—Certainly.

651. And we have this great industry simply being maintained on a subsidy?—Certainly; if the prices naturally fall below the point, it must be maintained by a subsidy.

652. You know, of course, that under the present Corn Production Act this subsidy, or guarantee, is calculated on acreage, and not on production?—Yes.

653. Is not that, in your opinion, the very worst form of guarantee?—You are asking me to challenge the wisdom of the House of Commons?

654. Well, I have not much opinion of that. I am asking your opinion as an expert?—I would not say it is the worst; but I am not quite sure it is the best.

655 Has not it got this effect, that it induces the farmer to scratch his land and not work it properly, simply to get the larger acreage?—I am not sure; but that may be so, of course, in the case of some persons.

656. But is it not so?—I think the ordinary incentive to get big crops still remains under the present form of guarantee.

657. But how?—The more he grows, the more he has to sell.

658. On the contrary, if you fixed the guarantee by the acreage, apart from the yield, what inducement has the farmer to grow corn at all? He has to pass muster with his farming decently. I agree if he farms so badly that he can be convicted under, I think it is, Part IV of the Act, the taxpayer is protected?—And there is a further protection, as you know, under Part I: that the man who makes a claim under Part I, if he has negligently cultivated the land, his claim is reduced, and, possibly, disallowed.

659. You do not suggest that that is going to work, in practice?—I do, most distinctly.

660. Do you not see, under the guarantee, as it stands now, if a farmer is growing 20 acres of wheat and he adds to it another 10 acres, he gets paid on the average crop of 4 quarters per acre on the 30, whatever the crop is?—He gets paid. The figure has been used that the average price of wheat in the market has fallen to 60s. Under present conditions he is guaranteed 71s. 11d.; therefore he will get paid on that 30 acres, or whatever it is, and only that. I mean we are assuming he is using the land on which there is no likelihood of getting a crop, or, at any rate, he will get a very bad crop, indeed, which would not be of much use to him in the market, and what he will get will be four times the 11s. 11d.

661. That is right. He gets a guarantee as if he had grown 4 quarters on this land which he never has done?—But do you think it is worth his while, in the event of prices dropping in the market and getting a possible £2, or something like that, to go to all this trouble of putting this land under cultivation?

662. But if this guarantee becomes effective, that is the only thing we are considering. If he does not get the guarantee at all, I agree there is no inducement; but the guarantee is to help him to grow wheat and pay the minimum wage. Would not it be much better that he should be paid on the actual wheat he does produce?—May I say the point you were putting was, that a man would put under wheat or corn a certain acreage, and would take no trouble to get a good crop on it?

663. Yes, that is right?—That is the point I dispute. Of course he will put the land under, or we hope he will. That is the object of it. But I still think that the inducement to do his best by that land, and get the best crops, still remains.

664. What is that?—That he will have more to sell, in addition to the guarantee.

665. On the contrary, it makes no difference what he has to sell. In the case put by Mr. Henderson, with the guarantee of 70s. and the world price at 60s., he gets paid the 10s. on every acre he grows?—If he has a crop to sell off that land, it is better that he should have four quarters to sell off it. We will agree he gets a guarantee in both cases; but surely it is better for him to have four quarters to sell off that land than two, and he will do his best.

666. You think so?—It seems to me it is human nature.

667. Do you think it is a better way of paying than on the actual weight he produces?—I did not say that. I do not say it is a better way than paying on what he actually produces; but you know the administrative difficulties of paying him on the amount he grows are much more difficult than the method which has been adopted.

668. Is not that easily ascertained by the people who do the threshing?—It is easily ascertained in an individual case; but it is not easily ascertained in 500,000 farms.

669. I suggest to you, in view of increasing production and getting good farming, a guarantee on the result of the quantity grown would be much more likely to be effective than simply on the acreage?—I am not disputing that as a general proposition.

670. It was suggested yesterday that farmers are persons of low intelligence. Do you agree with that?—I am not quite sure. Of course I take it from you it was so suggested.

671. I do not want to exaggerate it; but it was suggested that they were not of the intelligence of townspeople. Do you agree with that?—No, personally, I do not. I think the statement that has been made is, that there are a certain number of unintelligent and inefficient farmers in this country.

672. That everybody would agree with. There are unintelligent men at the Board of Agriculture, I daresay, if you hunted for them?—I should certainly agree.

673. And in the House of Commons my neighbour thinks he has an example; but of course there must be. What I really want to get at is, do you suggest the farmers are not farming their land as well as farmers do in any other country?—No, I do not. If you will allow me to complete what I was going to say, it was that, put in that form, that there are a proportion of unintelligent and inefficient farmers, we should all agree; but I think it would equally apply to any other industry you may take, including Civil Servants if you wish, and I do not think that the proportion is greater than in any other industry; I certainly do not think it is greater than in any other country in the world.

674. There I agree with you, if I may venture to say so. I gather it was suggested that if you turned townsmen and experts on to the land, they would make a much better job of it than the farmers?—I do not know that anybody has suggested that, but I should not.

675. You do not agree with it?—No.

676. It is a perfectly nonsensical suggestion. The farmer knows his business as well as the cotton man, say, knows his business?—I think farming wants learning as well as any other business. But might I add, as another element in the discussion on this particular point, that farming does differ from other industries very largely, in view of the fact that a certain proportion of the occupiers of land do not occupy it for the sake of a livelihood, but occupy it, more or less, as a pleasant way of spending their time. I mean, they do not occupy it as a commercial proposition, and that, I think, is an element which might possibly tend to increase the proportion of persons who are not using the land to its utmost capacity.

677. I will leave out those gentlemen. The point in question is this: that if the industry can be made profitable, the existing farmer is the person to do it; that is the point I want to get at. You do not suggest any alteration—of driving the farmer out and putting anybody else in his place?—On anything like a large scale it is almost impossible to put a new set of men on the land in the country at once and expect them to farm. That, of course, would be absurd on a large scale.

678. The methods of farming progress the same as they do in every industry. If that is so, what we have to devise is the means of keeping him in business, is it not?—Yes, provided you do not strain that too far and say you have to devise the means of keeping every man now farming on his farm.

679. I have got so far with you that you think a guarantee is a proper way. How do you propose the guarantee should be fixed?—A guarantee, to be effective, must be fixed at such a level as will induce farmers to occupy land and to continue cultivation.

680. That was not the point of my question; but you mean it must be fixed at such a price as will leave the farmer a fair profit?—Clearly; otherwise, in the long run, no one will farm the land.

681. What I meant was, who is to decide on that price?—At present, of course, Parliament is deciding it.

682. You will agree, will you not, that to make it effective (because agriculture is a business where you can only turn over your goods once a year at the outside) it must be fixed some time ahead?—Yes. I do not think it is possible to contemplate a fluctuating guarantee, so to say, from year to year, or a guarantee which expires at the end of 12 months.

683. That is what I wanted to get—to rule out altogether a guarantee varying in amount, according to circumstances?—I think it is in the nature of a guarantee in an industry like farming, that it must be for some little time, not from year to year.

684. Would not that imply that you ought to have a fixed minimum wage for some time too?—I am not so sure about that.

685. If not, how could you get the guarantee fixed for some years ahead to meet the variations in the wage?—Because the cost of labour is not the only element in the cultivation of the land.

686. No; I only took that because it comes first in the list of expenses. It is these difficulties that have to be met at some time, and I want some help?—I think it is the existence of these difficulties which accounts, very largely, for the institution of this Commission.

687. Quite true. Could you suggest how we are to arrive at any figure which would cover these difficulties?—I think you can only arrive at a figure by examining all the factors and taking evidence from the people who are competent to advise you. I am sorry to say that I can give you very little help at the present stage.

688. I thought you were the most likely person, as a matter of fact, at present. Assuming it is true that the minimum wage is likely to rise, how is that provided for by a guarantee?—One is rather arguing in a circle, of course; but any minimum wage, in the future, would have regard to the existing guarantee. Assuming the State makes up its mind to give a guarantee to farmers for a certain period of years, it is obvious one of the elements in fixing the minimum wage must be that guarantee.

689. On the contrary, with deference, the Act provides that the minimum wage is to be fixed entirely independently of such considerations?—I do not know that it is quite true to say that. Of course, there is section 5 (6); and, obviously, within limits, the governing factor in fixing the minimum wage is such a wage as will enable the labourer to live at a standard of comfort which is reasonable for his class.

690. That is, quite independently of the amount of guarantee?—It is not altogether independent, in a sense; because the level of everything the farmer has to sell is very largely dependent on the level of world prices of all kinds; and I think that if prices themselves keep up to farmers, it means that the prices of foodstuffs should keep up, and that, therefore, the standard of comfort, that is to say, the amount of money that is necessary to maintain that standard of comfort, must also be higher than it would be.

691. I will put the alternative. Supposing the minimum wage goes down, and these gentlemen are mistaken as to their prognostications, and you have a fixed guarantee for a number of years, would Mr. Langford be right that that guarantee would go in the farmer's pocket or the landlord's pocket?—I should say, in those circumstances, it is very unlikely the minimum wage would go down.

692. But why? I am assuming, supposing the minimum wage were to go down, and supposing there is a general fall in all world prices, which is a possibility, would not the minimum wage go down?—I think if there were a general fall in all world prices after a guarantee had been fixed at a certain figure at a different level of world prices—well, it would be very difficult to maintain the guarantee at that particular price.

693. Yes; but the guarantee is fixed before that, you see. These are difficulties I want help on. They are difficulties, I say, on both sides, and you do not help me much?—No, I am trying to help you to the best of my ability; but it is very little. It seems to me that the conclusion we are getting to together is, that it is impossible to do anything.

694. We have to find a way of doing something. Let me take you to another difficulty. We have good land, bad land, and what I call medium land. Is the guarantee to enable the very bad land to be cultivated, in your view?—No, not the very bad land.

695. Where would you draw the limit?—That is impossible to say. Again we are getting in a circle; because the point at which you fixed the guarantee is the point at which you decide what is the margin of cultivation.

696. Exactly; and I want to know, in fixing the guarantee, how you have to arrive at that point where you have to leave it?—I cannot suggest any formula for arriving at the figure of a guarantee on the basis of the land which you are going to keep in cultivation.

697. Now let me take the fixing of the wages for a moment. Can you tell me the constitution of the Wages Board?—It consists of 39 members: 16 representing the employers, 16 representing the workers, and 7 appointed members.

698. Who appoints the 16 employers?—They are all appointed by the President of the Board of Agriculture; or I should qualify that and say there are regulations made under which the Board is constituted, and by which half the employers and half the workers are nominated by organisations on both sides.

699. The other half, that is, 8 employers and 8 workmen, are directly nominated by the President?—Yes.

700. Do you think that desirable?—I am not able to suggest any particular objection to it.

701. Would it not be better if they were all elected, one half by employers and the other half by the workpeople?—I am not quite sure that the result would be very greatly different.

702. Does it in practice work out that if the employers and the employed agree, the 7 appointed members are not called in at all?—Yes, that is so.

703. Therefore what inducement would there be either to the employers or to the employed to keep wages down, if there is going to be a guaranteed price to cover them?—Perhaps I was rather too short in my answer to the previous question.

704. It is the accurate one?—It is not quite an accurate one; and I want to put the position as clearly as possible. Although it is true that on certain occasions the representative members have agreed it is not quite true to say, I think, that the appointed members have not been called in in the strict sense of the term. That is to say, there has been discussion between all members of the Board; although it is strictly true, of course, that if the representative members agree on both sides, they being 32 against 7, it is obvious the appointed members do not count much.

705. I suggest to you that you were absolutely accurate in the answer you gave; and that the way the Wages Board works is, that if the employers and the employed agree amongst themselves what is to be done the appointed members are never consulted at all?—I am saying that that is not accurate.

706. What is the use of the seven consultative members if the two other sides have made up their minds?—They have not always made up their minds.

707 The case I put to you was when they had agreed?—Well; that case has not occurred.

708. It is contrary to the information I have?—I am sorry. I am giving you the best information I have.

709. Take the last increase, the 6s. 6d.?—That was the result of prolonged discussion for three successive meetings. In all those discussions the appointed members took part. When I say all I do not mean at every moment of the discussions.

710. Who are the appointed members?—Sir Ailwyn Fellowes is the Chairman, I have the bad luck to be the Deputy Chairman, Lord Kenyon, Mr. Francis Acland Mr. Orwin, Mrs. Wilkins and Mr. Yates.

711. Are they appointed by the President of the Board?—Yes.

712. Do you know at all on what ground they are appointed?—I think you will have to call the President to ask that.

713. Are they appointed to represent the public? Is that the idea, or what is the purpose?—It is a question which it would be a little invidious for me, perhaps, to answer.

Chairman: Is it quite relevant to our inquiry? I rather question it. For instance, how can Sir Henry Rew criticise the President of the Board?

Mr. Cautley: He can refuse to answer the question.

Chairman: It is not relevant to discuss the composition of the Wages Board. In considering remuneration of labour and hours of employment it may be necessary to refer to the operations of the Board. Moreover, the witness is not in the position to criticise his superior, nor should he be asked a question which will result in such criticism.

714. *Mr. Cautley*: Then I will only ask you one more question on this point. The word has been used that there might be a conspiracy between the labour members and the farmer members of the Wages Board to agree on prices, because the guarantee from the taxpayer would cover them. I protest against the word "conspiracy." I never used it; but I ask you, if there is an overriding guarantee to make good the losses to the industry, what inducement is there to the two to make the best bargain, as the Wages Board is constituted?—I think, as the Wages Board is constituted, with all its defects, it has a very considerable appreciation of its responsibilities to the public at the present time. But I find it very difficult to believe that, even assuming both sides had nothing but sordid motives in mind, farmers, by their natural instincts, so to say, would willingly give unreasonable wages, because in the long run they hoped the State was going to reimburse them.

715. That is the only answer you give?—That is my view.

716. You have stated that the farmers are suffering from difficulties of transport. What do you mean by that?—I am not quite sure whether I said that. I said quite generally, that agriculture and the community in fact are suffering very greatly at the present moment from the difficulties of transport and distribution; but, as applied to agriculture, I mean that I do not think the facilities at present existing for distributing agricultural produce are adequate or satisfactory.

717. In what way do you mean?—I do not think that the remoter districts are sufficiently well served in getting to the market, more particularly in regard to perishable commodities. I am speaking, of course, in generalities; but that is my general view.

718. Then, again, you stated that farmers were under-capitalised. What do you mean by that?—I mean that in the past, under the pre-war level of prices, so far as I am able to judge, there was a general tendency for people taking land to take more land than they had adequate capital to deal with. I do not say that that was universal, by any means; but I think there was rather a general tendency in that direction.

719. You agree, I take it, that the capital required by a farmer now is about £20 per acre?—Yes, I should say so.

720. Before the war would it be £8 to £10?—Yes.

721. And for milk farms is needed, of course, very much more than £20 per acre?—I think probably it is.

722. Do you think £20 per acre would be enough?—I would not like to answer a question like that without definite figures, because I have not gone into it.

723. You also stated that security of tenure with security of prices would attract more capital to the land. Will you tell me what you mean by security of tenure?—I really had very much in mind the conditions which exist when a man takes a lease. That is what I was thinking of for the moment.

724. You were thinking of a lease?—Yes. It seems to me almost a truism that capital will not be attracted in the long run to an industry, unless there is

some probability of the man in time getting a return. No man would take a shop or a factory and sink a lot of money in it unless he could be sure of recovering some time.

725. Do you not know the farmers find it pays them better not to take leases?—I do not know about paying them better, but I know as a fact they are reluctant to take leases.

726. Does not that show that your statement cannot be quite accurate?—No, I am not sure that it does. I think, as a general statement, that if capital is to be attracted to an industry you want security of tenure in the industry, and some means of giving security of tenure to the person who embarks his capital in a particular spot. I think that must be true.

727. Then, according to your view, the farmer is foolish not to take a lease?—I do not know whether he is foolish from a purely business point of view. I should say it looks foolish.

728. You will agree he can get leases in England?—Yes, I believe so.

729. I believe in Scotland they do take a great many leases?—Yes, I believe that still continues in Scotland.

730. In other words, I suppose a freehold would be better still than a lease?—So far as security of tenure is concerned, yes.

731. What I want to make clear is this. Of course we know that some farmers demand a security of tenure on one side, as it were, that is to say, that they cannot be turned out, but they can leave at a moment's notice. You do not mean that form of security of tenure?—I was not thinking of any particular form of security of tenure, except at the moment of my answer I was thinking particularly of a lease.

732. You are not a member of the Costings Committee, are you?—Yes, I am.

733. Do you consider it possible to ascertain the cost of agricultural produce?—I know, of course, all the difficulties; but I do not think they are insuperable, provided, of course, we get the real help of the people in the business.

734. I will not ask you these questions, if we are going to have the Chairman of the Costings Committee, or anybody else, who can answer them better than you. If not, I must ask you them?—I will answer any questions which are within my scope; but if there are any questions as to the details, he will have them more in his mind than I, because I am only a member of the Committee.

735. We are going to see him, are we?—Yes.

736. It was suggested that the guaranteed prices would put money into the pockets of the landlord. Do you agree with that?—I am not quite sure. I think it probably would, under existing conditions, in certain cases.

737. Do not the landlords, at any rate, take an opposite view, seeing they are selling their lands all over the country?—I am not sure that that is proof. There may be many reasons at the present time.

738. It is a little inconsistent, is it not?—I do not think it is necessarily so. There may be many reasons for their selling land. That may be one, of course.

739. I have only two other questions. You stated that the reports on cattle in the country on the 4th June showed an increase?—Yes.

740. Are not those returns made under quite different conditions?—No.

741. Is there not a penalty on any farmer who does not make a return now?—That is so. For the last two years they have been compulsory, but were voluntary before.

742. Were not a good many of the returns wrong?—That is so; but it has made very little difference indeed, as a matter of fact, to the comparability of the returns. People who perhaps have not dealt with schedules on a large scale, may hardly believe some of the things which appertain to dealing with figures on a large scale. For example, I have over and over again tested a collection of figures on a large scale, such as the agricultural returns, and have tested what the results were on a 60 or 70 per cent. sample of the whole, and the results have been practically the same as a 100 per cent. sample. You will find that over and over again as a truism of statistics. My point is this, that although on the face of it there have been a certain number more of returns, although not a very great proportion, yet in the previous returns the officers collecting the returns had in each case to make an estimate for the holding for which he failed to get a return, and the error on that estimate was very little comparatively on individual estimates; and lumping them all together, was negligible.

743. Did not the returns formerly apply to a holding of three acres, and now they go down to a holding of one acre?—No; there has been no change since the very first two or three years.

744. *Mr. Ashby*: You stated just now that the average capital of English farmers before the war would be about £8 to £10 per acre?—Yes.

745. Would you also agree that the margin of profit per acre was comparatively small—say £1 per acre, or less?—Less, I should think.

746. Would you agree, from your experience on the Wages Board, that the average expenditure per acre before the war was somewhere about £7? The figure, I think, is £7 9s. 3d.; and the receipts per acre would be about £8. Would you agree with the margin of about £1?—Yes.

747. Mr. Cautley says that the prices of the requirements which the farmer has to buy have gone up 200 per cent., which would make that £7, £21; and that the prices of farm products have gone up roughly 100 per cent., which would make that £8, £16. Therefore, on every acre a farmer farmed last year, he lost £5. Does that not follow?—Yes.

748. If that had been going on for two years, he would have lost the whole amount of his pre-war capital. Does that not follow?—Yes.

Mr. Cautley: I should like to contradict Mr. Ashby, as he is rather misrepresenting me. I said he would have lost it if it had not been for the prices fixed under the Defence of the Realm Act.

749. *Mr. Ashby*: Excuse me, the prices fixed under the Defence of the Realm Act are those prices which you state have only risen 100 per cent.; and I want you, Sir Henry, to put this quite plainly: that if the farmer has lost the difference between 100 per cent. rise in prices of farm produce and 200 per cent. rise in the price of farm requirements, he has lost an amount equal to his pre-war capital?—Yes, it follows. That is why I demurred from accepting the percentages as any evidence at all of what the farmer was making.

750. Have many farmers gone bankrupt during the war?—No.

751. And you would agree that they have on the whole improved their financial position?—I think there is evidence of that; that farm profits, the last year or two, have been greater than they were before the war, taking the country as a whole.

752. As to the reason for that, is it not true that the total expenditure on the farm does not increase with the increase in prices, because the amount of supplies bought does not remain the same? For instance, the enormous amount of recruiting in agriculture during the war diminished the supply of labour; and while wages rose, the total costs of labour did not rise in the same proportion. Is that not true?—Yes, that is true as a general proposition; but it was also borne out by such evidence as we had on the Farming Costs Committee. Therefore it follows that to apply a percentage increase of wages to the individuals as representing the increased labour bill is not accurate.

753. Is it not also true that the actual supplies available for purchase of fertilisers, and so on, were lower than in pre-war times?—Yes, that is also true;

but, again, we must take the total bill, and not a percentage quantity. But I am bound to say the questions addressed to me were, I think, rather on the assumption that the quantities would be normal.

754. I am asking you now, as the Statistical Officer of the Board, whether that is not true?—That is perfectly true, as you stated it.

755. And the same position is true in the case of feeding stuffs?—Yes.

756. Has it not also been established, and is true in the case of feeding stuffs, that certain economies could be made in the use of feeding stuffs, and that beef, for instance, could be produced with less feeding stuffs and more economically than before the war?—Yes, I think that is so.

757. And therefore that the profit would be greater?—I think I have finished one bogey.

758. Are you conversant at all with Mr. Wilson Fox's reports on wages and agricultural labour of 1899 and 1902?—Yes; I read them at the time, and have looked at them since.

759. Do you remember the chart in which Mr. Wilson Fox shows quite clearly that the cash wages of agricultural labourers were rising steadily from 1875 to 1901, with the exception of a few years just after 1880?—I do not at the moment remember the chart, but I think that is a true statement.

760. Will you have prepared a *précis* of what Mr. Wilson Fox has to say on that point?—Certainly, if the Commission desire it. That is to say, as to the general rise in wages of agricultural labourers after 1871?

761. Yes, from 1871 to 1901. Are you aware that during that period, when the prices for farm produce were falling, the prices of practically all the commodities which the labourer purchased were also falling? It follows, of course, in some cases?—Yes.

762. Would you agree, then, that even if cash wages had not risen, the real wages of labour would have risen during that period?—By the general reduction in the cost of living?

763. Yes?—Yes.

764. Turning to another point raised by Mr. Cautley, the question of the supply of efficient farmers, is it not true that a certain number of farm workers, and also a certain number of country bred people, obtained farms, or entered into the tenancy of farms, during the period of depression, and that in some cases those or their descendants are now the most efficient farmers?—Yes. Of course, I have not any definite instances in my mind; but I should say, as a general proposition, it is true.

765. So that you think there is a possible supply of more efficient farmers in the country areas, apart from the race of present farmers?—There is an obvious source of supply of men who have been bred and brought up on the land, and to a certain extent trained in farming operations to take farms; but of course I did not intend, in my previous answer, to say that those were the only men who had weathered the storm, nor I presume did you intend to convey it.

766. No. Is there not also another possible supply of efficient farmers, or is there not a way of obtaining efficient farmers and an increase of the size of the farms farmed by efficient farmers; that is to say, if you increase the size of the farms, you require a much smaller number of efficient farmers?—Yes, that is clear.

767. And therefore if we want to increase the number of efficient farmers, we are not at all dependent on the supply of townsmen?—Yes, I think generally that is so. Of course it is all a question of degree—of actual numbers. That there are sources of recruitment for the race of farmers at present existing, I agree; but all I said was, that you could not contemplate sweeping away the present race of farmers and replace them at once.

768. It has been suggested that the landlords, rather anticipating benefits to be obtained under the guarantees, are selling their land, because they are afraid of the future. Is it not also true that there is an equal or greater number of people willing to come forward to purchase land at enhanced prices?—There must, at least, be an equal number, or else there would be no sale.

769. Have you any opinion as to whether these are wise or foolish persons?

770. *Chairman*: I do not think you should ask that?—I do not think I can express an opinion as to that.

771. *Mr. Ashby*: Turning now to the question of foreign supplies, is it not true that before the war certain changes were occurring in the sources of supply of wheat; that is to say, that whereas 20 years ago we were receiving much the greatest part of our imported wheat supplies from the United States and Canada, the proportion received from the Argentine and Australia was growing in the ten years before the war?—Yes; I should think that the proportion received from the Argentine was growing. I am not quite clear about Australia. Australia, of course, before the war, was always a very uncertain supplier. Occasionally she was not an exporter at all. It so happened in the first year of the war she was not.

772. But is it true that, on the whole, the supplies of wheat imported into this country before the war were carried a considerably longer distance by sea than those imported 20 years ago?—Yes, that is true. The average length of distance which the wheat was brought was certainly increased.

773. And the average cost of freight, irrespective of freight rates, was also greater because of distance?—Of course, during that same period, while, owing to the alterations to some extent in the sources of supply, the average length of haul was increased, there was, for other reasons, a tendency for freights to fall.

774. I agree up to about 1907; but beyond that date, I think you will find they were rising?—You may be right.

775. Is it not a fact that, say, five years before the war, the shortage of what are known as visible supplies of wheat was becoming a serious matter for the whole of the wheat consuming populations of the world?—No, I do not think I agree.

776. Would you agree that about, say, the end of last century there was at any given time something like six months' visible supply, and that in two or three years before the war the visible supply was never greater than two months?—I should think that is likely. I do not remember it in those terms; but the fact that supplies were keeping up quite adequately to demand is shown by the prices.

777. Adequate to the demand, I admit; but not showing such a surplus over the necessary amount as was the case ten years previously?—That merely meant the perfecting of the means of transit and distribution. The more you perfect the means of distribution—and it applies all over the world as well as in this country—the less stocks you need carry. You could run this country, and it was run before the war, on a four weeks' supply of wheat, quite easily, because the distribution was as nearly perfect as things can be. You run a considerable risk now in running it on eight weeks' stocks.

778. I admit all the improvements in the organisation of the market and the means of transport; but I suggest to you that is not the sole explanation of the difference. The difference is, that the amount produced was not keeping pace with the increase in the consumption of wheat?—I do not agree. The increase of wheat and the supply of wheat under the free conditions which existed, and, as I say, with the perfection of the means of transit, year in and year out, the supply would keep pace with the demand, and there was no risk it was not going to do so. Of course, there was always a theoretical risk that any particular crop in one year might fail everywhere, in which case we should have gone uncommonly short. That still remains, and will always remain a theoretical possibility. But for that, the

distance of the supplies, and the number of the sources of supply, was of course a guarantee against that, the only guarantee you had.

779. It is suggested to me, by your preface to Sir William Crooks' book on wheat supplies, that you have admitted that the visible supplies were much smaller than formerly?—It is always very dangerous to have written anything, and I may possibly have said it. If I did, I do not go back from it, because it is perfectly true. But I have already said that it is the natural tendency, in my opinion, with the perfection of the means of distribution, to hold less stocks.

780. But between the difference in the visible supplies and the longer distance supplies which now have to be carried, English farmers have less to fear from foreign competition than formerly. Does that not follow?—No; I am not quite sure I see how it follows.

781. Would it be possible for you to offer us any information about the total production of wheat in the world and the total consumption, say, for two years before the war, and for the last two war years?—Certainly, if the Commission would like to have it. The last two years, of course, are abnormal, as you know.

782. Have you any data which would enable us as regards, say, the three chief suppliers, the United States, Canada and the Argentine, to arrive at an idea of the comparative increase in the cost of production during the war?—I should think it is very probable. You know better than I do, very likely, that there are data collected in the United States. I doubt very much whether there is anything in any other country.

783. Do you agree that the security of the supply varies directly with the basis of supply; that is to say, that the broader the basis of supply, the more secure the total supply?—Yes, as a general proposition, I agree. It must almost be necessarily so in the case of any natural product.

784. Is there any evidence of severe fluctuations in the production per acre of wheat in our own country?—Yes. If I remember rightly, the famous year of low yield was, as you know, before the days of the official estimates, and was put by Sir John Lawes at somewhere about 20 bushels in 1879; and it has ranged up to somewhere about 35, I think.

785. 34?—Yes, that is the range in living memory.

786. The range, that is to say, is between 20 bushels and 34 bushels, or thereabouts?—Yes.

787. As regards the importation of wheat from the British Colonies, have you ever estimated, or taken out a figure, as to the value of the total exports for Canada sent out in the form of wheat?—I am not quite sure I understand.

788. What would be the proportion of the total exports of Canada, represented by wheat?—I have forgotten.

789. But you would agree that for every shipload of wheat we fail to bring from Canada, we also fail to send a shipload of the products of our industrial areas?—Clearly, we have to pay for it.

790. *Mr. Batchelor*: Previous to the fixing of minimum rates of wages, is not it the case that farm wages were principally and almost wholly regulated by the ordinary play of supply and demand?—Yes.

791. *Mr. Overman*: I have only one question; but I do want to put to you the question which Mr. Cautley asked you, and that was as to the reliability of the agricultural returns before they were made compulsory. You confirm what you have said to him?—Yes.

792. Sir Daniel Hall stated that a very large quantity of land was going back to grassland again. I take it in those years of agricultural returns the large quantity laid down to grass seeds this spring will not be shown, inasmuch as such land will be put in as arable land?—Yes.

793. Is not it possible for you to add the acreage put down to seeds in the spring? We have to wait a year before we know whether the land is going back to grass or not, and I would suggest to the Board it is a very important point that we should know. I would suggest a column being placed in the Agricultural Returns showing what land is seeded down from cereal crops?—Yes, it is quite possible, and I will look into the point.

794. Sir Daniel Hall had really no statistics in making that statement that land is going down to grass this spring?—No; there are no general statistics, but we get reports from all over the country.

795. *Mr. Anker Simmons*: You said in your evidence that you had access to information as to the world's supplies and the probable world's demands. Have you any figures that you could put before us relating to those two points?—What I said was in answer to Mr. Lennard, that we have figures showing of course what have been the imports and exports each year down to a fairly recent date. From those I suggested that they were the best means of forming opinions for the future. But of course there are no figures as to what the probable supplies will be, except by inference.

796. We are asked to present as quickly as possible an interim report, which is apparently in order to be a guide to the Government as to what it is necessary to do in the immediate future. Would you say it is more important to us to direct our attention to the probable world supply, and probable world's demand within the next 12 months, than in any other direction?—It is the most important factor, or very nearly the most, that you have to consider, I should say.

797. Except, of course, as to the available shipping?—Yes, it is included in supplies.

798. Would you say from your general knowledge that there is any great risk of the present prices of cereals and meat, milk and wool, seriously dropping in the immediate future?—Of course that is so extraordinarily difficult to answer, because it depends on factors, one of which at any rate is one with which I cannot profess to deal, and that is the effect of inflation and the general effect of finance and financial relations. That has great effect on the level of prices; and as to the extent to which it exists I should not like to offer an opinion. So far as actual supplies of the commodities for the world's effective demand are concerned I am one of those, though others differ from me, who do not think that in the immediate future, or at any rate after the immediate future, there is any serious prospect of a shortage of supplies. Whether we shall get them and what we shall pay for them is another matter.

799. The present guaranteed price of cereals for the 1919 crop is a minimum price, is it not?—Yes, the guaranteed price is a minimum price.

800. And taking barley, for instance, the present price of barley is far in excess of the minimum guarantee?—That is so.

801. Do you think it probable that the question of a guarantee, even on the basis of this year's guarantee, is likely to become seriously operative?—In the case of barley?

802. Take them all—wheat, barley and oats. Do not you think that the world's prices will be maintained at any rate to the present level of the guarantee?—I think as conditions are at the present moment, as far as one can see, the probability is that they will; but of course, again there are the factors of the Government action in the States followed in Canada, of fixing a price which is not a competitive price of the wheat for export.

803. The loss of our ordinary supply from Russia alone would require a great deal of making up from other quarters?—Yes; but there was an addition of 19 million acres to the world's supply directly the war began, although, strictly speaking, it has not been maintained. The supply from Russia has been more than made good in the world's normal demand.

804. In arriving at the information we shall require in order to make our final Report you would agree that the basis of it should be the cost of production?—Yes, I do not see how you can get away from that; you must have the cost of production.

805. Would you agree it is practically impossible to obtain any reliable figures as to the cost of production until the Costings Committee has been in operation for at least a year?—I am not quite sure I would go as far as that. In any evidence laid before you, for all I know, you may have sufficient data supplied by individuals to enable you to form a judgment.

806. That would have to be quite a cursory judgment, would it not? The percentage of farmers who keep such accounts as would enable us to get from them the cost of production is very, very small?—You know better than I. I should think that is so; but I think Mr. Howell, the Director of the Costings Committee, who has been in touch with a great many farmers throughout the country, will be able to give you a much better guide than I can.

807. Do not you think Mr. Orwin, of Oxford, could give us more information?—Yes, Mr. Orwin has been at it a much longer time. Mr. Howell has been circularising many people, and he also may be able to give you information on that point.

808. *Mr. Rea*: You have given us a list of a number of Reports and Returns which the Board have. Do you remember if those Returns show whether the yield, as a rule, is better on large or small farms?—No, I am afraid I do not remember having attempted to work that out; I am not quite sure it is not contained in that Report I have referred you to. It contains a lot of information.

809. Do the Returns give any guide as to whether there is a tendency to increase or decrease the amount of labour per 100 acres? Of course, I am referring to the period before the war?—The table which I have here, which gives the amount of cultivated land, the total farmed area and the agricultural labourers, for 1881 and 1911, the two census years, which you can only take for this purpose, indicates that in 1881 the number of agricultural labourers per 1,000 acres of cultivated land in England and Wales was 31·7 per 1,000 acres. That is just over three per 100. In 1911 that had dropped to 24 per 1,000; that is, practically, 2½ per 100. The figures for Great Britain are very much the same; so that, on the face of it, there had been a reduction, although those are broad general figures, in the extent of manual labour employed on a given acreage.

810. Have you any idea whether that would be made up for by the increased use of machinery?—I think the increased use of machinery has been a considerable factor, that is to say, the more widespread use of machinery. That was a point which was dealt with in the Report on "Migration from the Rural Districts during the War."

811. You said you thought that if an artificial method of stabilising prices was necessary, a guarantee was the best system of maintaining it?—Looking at it all round, it is the best system I can think of. There may be a better.

812. Of course, that would have to be justified; and to justify it, would you consider that the safety of the nation demanded that the land should be kept under cultivation?—The safety of the nation and a sense of insurance. As I said before, it comes to the same thing; that is, less reliance on imported supplies, both from the point of view of security and the point of view of general trade.

813. That would justify the nation in paying a guarantee as a sort of insurance premium?—Yes. Those seem to me to be the two considerations on which it can be justified.

814. The actual figures stated in the Corn Production Act have been several times mentioned; but seeing the absolute state of uncertainty as to the future when the Corn Production Act was drawn up, do you think we ought to consider the figures stated there, or merely look upon them as being an index principle it was wished to establish?—I think that is a matter upon which the Commission must formulate their own opinion.

815. Mr. Cautley implied that the guarantee on the acreage basis was likely to induce bad cultivation, because there might be a tendency for farmers simply to scratch in putting in corn, without giving it proper working, so that the yield would be less than the actual number of quarters on which they would be guaranteed. But would not this be safeguarded by the instructions of the Board to their Inspectors, that they would have to report cases of insufficient cultivation?—That we intend to use as a safeguard, and it is being so used. They have definite instructions, that they are not to pass any claim if they consider there is negligent cultivation. As you know, against that *prima facie* finding there is an appeal to an officer appointed by the Agricultural Executive Committee.

816. So that that would not be a real danger?—It is guarded against to that extent, certainly.

817. Also, in the same line of argument, it would pay the farmer just as well to grow a small crop as a big one. Would not the principle of standardisation get away from that, and if the guarantee paid on, say, four quarters of wheat compensated him for extra costs of production, suppose he grows six quarters and suppose the market price was 60s. instead of 75s., he would sell the additional two quarters at the market price of 60s.?—Quite.

818. But would not that 60s. or 120s., in the case of two quarters, more than compensate him for the little extra cost of labour he put into his land to grow six quarters, so that he would, in effect, be getting a profit on the additional two quarters?—Your opinion on that is better than mine; but I should say it is perfectly correct.

819. So that really it does give an incentive to cultivate?—I think it gives an incentive to grow the best crops. I cannot imagine why a man should refrain from growing as good crops as he did before.

820. *Dr. Douglas*: I want to go back on one or two questions. In answer to questions, you spoke of the increase of transport facilities. That has been made a good deal of recently in public discussion; and I should like to know whether there is anything definitely in your mind, or known to you, affecting the agricultural situation. You referred to certain improvements, no doubt, but on a small scale, with regard to perishable commodities which are affected by the lack of local transport. Have you anything in view as to the main staples of agriculture?—No; I am afraid I cannot say I have very definitely. I was thinking more particularly of perishable produce, and things of that sort.

821. Apart from those it really need not enter into the minds of the Commission?—No. I think it is possible there may be some minor improvements made with regard to the transport arrangements for cattle and dead meat; but, as you suggest, I was thinking rather more of the minor products.

822. We may really leave that on one side in the main discussion?—Yes.

823. You have spoken about security of tenure, and suggested it would stimulate the application of capital. May I take it from you that you have not in your mind any special scheme?—No, I had not. It was put to me as a general proposition.

824. And with reference to any special scheme, you would wish to examine it on all sides before pronouncing an opinion on it?—Certainly; I am not prepared at all to discuss the matter in detail.

825. Then you expressed the view that dairying, simply as an agricultural industry, employed less labour relatively than other types of farming?—Than corn growing. If that is the main occupation, I should say it employs more.

826. But you are referring purely to what I may call grass dairying, are you not?—I had that mostly in mind.

827. You would not say that of arable land?—No; I was thinking predominantly of grass country.

828. So you really distinguish, from the point of national production, between that dairy farm which is carried on by the use of imported material and the dairy farm which is carried on by the home production of a great part, at all events, of the food of the animal?—Yes.

829. And you regard arable dairying as more likely to employ labour, and to get rid of the difficulties of subsidiary labour such as milking labour, than grass dairying?—Yes, certainly.

830. So that would be an additional reason for encouraging the growth of crops in connection with dairying?—Yes.

831. I want to ask you one or two questions about the matter of the guarantee. You pointed out the administrative difficulties of dealing with a guarantee on any other than an acreage basis. Is there the further advantage in the acreage basis, that it gives most help in proportion to the least productive? Take the case of oats. The average in Scotland is 4½ quarters to the acre. Certain land can produce 10 quarters. Each alike would receive the guarantee in respect of 5; so that the advantage of the guarantee would be greater in the case of the less productive land?—Yes, that is how it works out.

832. It is that land which needs special encouragement, is it not?—Yes.

833. Then the suggestion has been made that a guarantee on that basis might lead to the land being cultivated which is not economically cultivatable. Do you think it is safe to leave that to the ordinary processes of the market, and to the fact that the guarantee is intended to be rarely operative?—Yes, I think it is safe to leave that. I do not think, as I say, that that will prevent a man doing his best for the land.

834. But it would be a sufficient safeguard against any attempt merely to earn the guarantee by ploughing land which was not capable of producing an adequate crop?—I think so.

835. You regard the guarantee as essentially a matter for only occasional use, do you?—I should imagine so.

836. You think the guarantee is fixed on such a basis that in ordinary times there will be no dependence upon it?—Yes. If the object of the guarantee is to give a man embarking in business a certain amount of confidence in sinking his capital in the business, it follows that what you want is some point below which he is assured his receipts from particular products will not fall, and that obviously is not the highest, or even the average.

837. You do not suggest a guarantee which would be frequently applied, in point of fact?—No; if it is fixed on that basis, and it is rightly fixed, it would be something below the average he is really likely to get.

838. You suggest, I think, the intention of the guarantee is that it is necessary to create a state of confidence of mind in the farmer. In order to do that, you say it must be sufficient to cover the case of the cost of production by the average efficient farmer. Is not that very difficult to get at, in point of fact?—Yes.

839. You take a sanguine view of the possibility of ascertaining that?—I can only say that I hope, after you have got all the assistance of people who are able to advise you on the subject, combined with the Commission, you will be able to arrive at a proper basis.

840. You do not think the real figures are yet available?—I do not think they are, except by deduction. You will not be able to prove it statistically.

841. In your opinion we shall have to rely, not on the results of any now existing accurate costings, but on the general consensus of opinion of producers under criticism and cross-examination?—I think that will be your main reliance; though I still suggest that you may be able to get, and I hope you will, from certain individuals, a guide as to actual costs in a definite form.

842. In your view, is the guarantee intended to create a profit or surplus in agriculture for anyone concerned, landlord or tenant? Is it intended to be a subsidy?—That depends on the definition of "subsidy." Of course, I have already demurred to expressing any opinion as to what were the objects in view of those responsible for framing the Act.

843. But your own approval of it does not depend on its being a subsidy?—No. You were saying what is the object in view in passing it. I should not have thought the object in view would have been to secure the farmer any inordinate or special profits. It was, I imagine, to secure him against loss or continued loss.

844. Therefore the question of who ultimately gets any small profit there may be is really a subordinate question?—Yes, I should say it is subordinate.

845. The intention being one of public policy to promote production?—I think so.

846. I do not know whether it is contained in any of the documents you have put before us; but how do the wages actually paid in England relate to the minimum wage which is enacted?—As far as I know, there is no real information as to that. We only get it incidentally.

847. Have you anything to put before the Commission?—No, I am afraid not. We only know, in certain districts it is reported to us that the wages being paid to men are higher than the minimum.

848. You get that from certain districts?—Yes.

849. But you do not know how widespread it is?—No, I have no definite information.

850. You point out, in one of the papers that you have put before us, the proportion of labour employed in large and small farms in various districts. Have you any information as to the reward of labour on large and small farms in the way of wages paid?—Do you mean the total labour paid?

851. No. For example, you have a very large number of farms which presumably, from their size, are farms where the labour is supplied by the families of the farmers. Do you know whether it is common in these cases to pay any real wage at all to the families?—No. We only know, of course, in the course of our experience of enforcing the minimum wage, that we come across those cases where the relatives of the farmer are employed on the farm, and we have to do the best we can to apply the Act, which says that anyone who is under a contract of service comes under the scope of the minimum wage.

852. But is there a contract of service in the case of these small family farms?—No, I think not, generally speaking but you do come against the small concrete case.

853. On the whole, they lie outside?—Yes. If it is a holding cultivated by the farmer and his family exclusively, as a general rule it does not come within the minimum wage.

854. Now, there are one or two questions, very closely affecting the immediate cost of production, on which I should like to know whether you can give us information. There is the question of feeding stuffs and the prospect of the import of feeding stuffs in the immediate future. Can the Board give us any information dealing with that?—No, I am afraid it is rather difficult for us. I think the Ministry of Food will be able to give you a little more help on that than I could.

855. Have you any information to give us as to the probable cost of the leading artificial manures?—In the future?

856. I mean the forthcoming purchasing season which is approaching?—No, I think the Board might be able to give you some information on that. I will look it up.

857. It is very important for us to have that information?—I will make a note of it.

858. *Sir William Ashley*: There is a matter on which your experience, I think, may be helpful to us, if we should think it proper to enter upon statistical inquiries of our own. The nearest precedent is the report on the financial results of farming, drawn up

by a Committee on which several of us worked under your chairmanship. That Committee prepared schedules of inquiry, of which about 1,500 were circulated, and you received only 119 returns, of which only 45 came from farms occupied by tenants or working farmers, and you expressed your regret that the response to your appeal was disappointing. I suppose if that schedule had asked for information for fewer years than five, you would, perhaps, have obtained a larger number of returns?—Yes, I think that might have been so.

859. Have you any suggestion to make as to the way in which we could obtain a larger number of returns? For instance, does your experience suggest any improvement in the form of inquiry in Appendix 13 on page 71?—I do not think it would be easy, except, as you suggest, by reducing the number of years, to reduce very much the amount of information you asked for. As a matter of fact, from the point of view of this Commission, you probably want to increase it.

860. For which agricultural year should we endeavour to obtain information, in your judgment? As far as income is concerned, we are now in the middle of an agricultural year?—Yes; we are getting near the end of what is ordinarily reckoned as the agricultural year, from Michaelmas. At least, that is the year we find convenient for the purpose of returns. I do not know. The difficulty is that if you only confine yourself to a war year, like 1918–19, or 1917–18, you have to make allowance for the abnormal conditions. You certainly could not get anything now, for some little while to come, with regard to the complete year 1918–19. You would have to wait till after Michaelmas.

861. Without keeping you longer on this matter, would it be possible for you to send in some notes or observations with regard to the form of return, for the benefit of the sub-committee which has been appointed?—Yes, I should be very pleased to do so.

862. Then you say, with regard to the return from home farms, on page 15, that in fact the home farm is frequently regarded as an amenity of the estate, and not primarily as a commercial venture, which tends to make them unrepresentative of ordinary farms. Do you think it is impossible to distinguish between what you may call amenity home farms and commercial home farms; so impossible that we had better pay no attention to information coming from home farms?—No; it might not be impossible, if you can be assured in every case it is run as a commercial proposition. I do not think it would be impossible.

863. Then with regard to the co-operative farms, on page 18, there seem to be two difficulties: that it is not possible in most cases to separate the records of the farming operations from the ordinary trading operations, and, further, that in most of the returns even the acreage of the land is not given. Do you not think it possible to obtain from the Co-operative Societies information which would overcome those two difficulties?—It ought to be possible, certainly. In some cases it was furnished, of course.

864. Finally, you had to base your conclusions, in the main, I gather, on 26 returns. I have not worked through these yet very carefully; but it does not seem as if you were able to classify those 26, either according to the size of the farms or according to the character of the agriculture?—It would have been quite possible to do, but it was not done, because the number we had was too small to permit any subdivision of it.

865. Then in your final summary, on page 44, the general conclusion with regard to the position of the farmers in 1918, in paragraph 205, seems to be limited according to paragraph 204 to mixed farms of 300 acres. Is that the meaning of those two paragraphs?—Yes.

866. I suppose if one works carefully through the preceding paragraphs one will see how you can get out of these 26 farms which you do not classify, a figure for a mixed farm of 300 acres. It does not strike one as very obvious, when one turns over the pages?—No; I think, if I remember rightly, it is explained in the text, but I have not it in my mind.

867. In paragraph 73 you say: "A large number of estimates of the cost of producing cereal crops, and so on, were submitted; but the element of actual record is so small that the Committee did not feel justified in making use of this material." Is that material still in existence, or has it been destroyed, or is it still in the office?—I believe all the material is still in existence. Whatever is in existence is, of course, at the disposal of the Commission.

868. And although, as covering five years, it might be very defective, it is conceivable that it would be of some use for the most recent years?—Yes. It might quite well be looked through. Of course, when I said offhand it is at the disposal of this Commission, I must make a reservation. It may be that in some cases we should ask that the individual's name should not be revealed, as it was given to us in confidence; and I could not hand over the name without the consent of the person who supplied it, although I could hand over the material.

869. Would you be good enough to look through it and see whether apparently it is of some material use?—Yes.

870. *Chairman*: I am asked by a member of the Commission to ask you if the Board of Agriculture would kindly furnish the Commission with the prices paid by County Councils for land at the present time. Are you able to furnish that?—Yes, I think we can give you some information about that.

871. Then as a matter of form, will you be so kind as to put in the statements you have mentioned in your *précis* of evidence? I refer particularly to the statements following the words "I submit, by way of example"?—Yes, I have them here, and will do that.

872. Then there is the Report on the wages and conditions of employment in agriculture, which you will put in?—Yes.

873. And the Report prepared by the Committee of the Agricultural Wages Board on the financial results and also copies of the Orders of the Agricultural Wages Board now in force?—Yes.

Chairman: We are very much obliged to you for your extremely valuable evidence.

(*The Witness withdrew.*)

Mr. J. M. CAIE, Called and Examined.

874. *Chairman*: You are the Assistant Secretary to the Board of Agriculture for Scotland?—Yes.

Chairman: You have put in some Tables of Prices, &c. I will ask Dr. Douglas to examine you upon them.

875. *Dr. Douglas*: We have only got from the Board of Agriculture for Scotland one paper, namely, a *précis* of the fixed Government prices for various products?—And the 1913 prices, which of course were not fixed.

876. Yes, that is so. Perhaps it would be convenient to ask you kindly to state what you have to say to us, as we have no *précis* of your evidence.

877. *Chairman*: We have only got the Table of Prices which you put in?—That is so.

878. It would, therefore, be more convenient if you would kindly make a statement, as we have no formal *précis* of your evidence?—When the Board were asked by the Secretary of the Commission to submit any available information they had with regard to the

cost of production, we immediately surveyed the material at our disposal, and while the Board certainly recognise the incompleteness of the material that I submit here, they are afraid it is impossible for them to go further in the matter than they have done. I submit here Tables showing the prices at different periods of various products produced by the farmer and of certain materials which the farmer buys. The obvious gap in this evidence is that there is nothing to show the effect of the increase in prices of the commodities which the farmer buys, on the ultimate cost of production of the commodities which he sells, and I am afraid that the Board are quite unable, with the materials at their disposal, to link up these two things. In fact, we take it that data on a considerable scale such as this Commission would wish do not exist, and I take it that the appointing of a Costings Committee to investigate that matter bears out what I say. Accordingly, we thought that a statement of this sort, such as I have put in here, might possibly be of some little service to the Commission—I do not say much—if not directly, at any rate indirectly, in assisting them to check any information which they may receive as to cost of production from individual farmers or associations of farmers. I should add, too, that I am here purely in an official capacity, simply to put in any definite official information which the Board have. I should also add that I will be very glad indeed to take a note of any additional information which the Commission might wish and which the Board may be able to prepare for them. Perhaps I might, very shortly, run through the Tables that I have put in—if you wish me to do that.

879. If you please?—As regards the farmers' produce, I have had extracted here from our official statistics the various prices of wheat, barley, oats, potatoes, fat stock, dairy cows, milk, ryegrass hay and oat straw, showing the average prices of these commodities in 1913, 1918, and the first half of 1919, with a calculation showing the increase of price for the first quarter of 1919 as compared with 1913. As Dr. Douglas points out, of course, many of these prices are fixed prices; but whether they are fixed or otherwise, they were the prices, as ascertained by the Board's market reporters, at which farmers were actually selling their produce. As regards the three cereals given, and potatoes, it will be noted that the increases of prices in 1919 as compared with 1913—the last whole pre-war year—are fairly equal. The increases are roughly round about 130 per cent. In Table 3 corresponding figures are given for fat cattle, fat sheep, and fat pigs, the increases running from 75 per cent. and 90 per cent. in the case of sheep up to considerably over 100 per cent. in the case of fat pigs. In Table 4 you will find set out the average prices of first-quality dairy cows. The increase in 1919 over 1913 for Ayrshire in milk is 118 per cent., and for Shorthorn Crosses in milk 142 per cent. In Table 5 the increase in the case of milk is 214 per cent. I may say that in all these Tables, which are published in our annual volume of statistics, I have taken what seem to be the more important items, but if the Commission wish me to do so I could amplify these—not as regards the nature of the evidence, but as regards other commodities not shown in the Tables. I did not include them because I simply did not want to overburden the Tables at this stage with too much detail. In the same way I have dealt with fertilisers and feeding stuffs, taking a few typical examples of each. These also I can amplify if the Commission wish. I can have corresponding facts for other materials extracted. In Table 9 I thought it might possibly be of some use to the Commission if they had a record of the decennial average produce of the various crops in Scotland for the purpose of comparison with the actual produce in 1918. It may be of some little interest to note in passing that, except as regards hay, all the average yields in 1918 were higher than the decennial average, notwithstanding the difficulty agriculture was labouring under through shortage of labour, fertilisers, and various other things. In order to show how widely the yield per acre varies in Scotland—it varies everywhere, of course, but perhaps more in Scotland than in England—I have put down in separate columns the highest and lowest yields per acre as returned to us for the various Local Government districts in Scotland. It simply shows that the average yield for the country after all is a matter of arithmetical calculation, and is subject to considerable variation. The last two pages show the actual prices which were charged for the hire of the Board's tractors and horses for the seasons 1917-18 and 1918-19. These tractor charges, I understand from the Board's chief engineer, were based, as nearly as could be done at the time, on what it was calculated a farmer could run a tractor for himself. The subject, of course, was one of some difficulty, but I am given to understand by the chief engineer that these figures would represent approximately the cost that it would be to a farmer to run the tractor himself. The way in which he put it to me was that the farmer could probably do it well within those figures. I should explain that it actually cost the Board a bit more than that, because of special circumstances. I readily recognise the insufficiency of these Tables, but on a careful, if somewhat hurried, consideration of the material at the Board's disposal (we got rather short notice, which I know was unavoidable) it did not appear to us that there was any additional information of an authentic and official kind which we could usefully put before the Commission, but, as I said before, if there are any additional materials we can extract for you we will very willingly do so.

880. *Sir William Ashley*: In a pamphlet which has been furnished to us published by the Board of Agriculture for Scotland there are some figures set out on page 33 under the heading of "Dairy Stock Account for the year ended 29th December, 1917," and miscellaneous information, including figures, is given. I am not competent to go into the details of that, but I see the figures are published on the authority of Mr. Wyllie, of the West of Scotland College of Agriculture. I suppose the Board undertake no responsibility in respect of them?—That is so. In the Journal of the Board, in which these appeared as articles, there is an express statement that the Board take no responsibility for anything in a contributed article. So that these figures are not put forward by the Board as typical or authentic in any way.

881. Is Mr. Wyllie an official of the Board?—No, he is an official of the Glasgow College of Agriculture.

882. Why I ask the question is that he refers to a particular farm 9 miles from Glasgow which he says is typical of a large number of dairy farms. Do you think it would be possible for him, or anyone else in his position, to get later figures of this kind?—I should think very probably Mr. Wyllie would be able to furnish you with those.

883. Is your Board in contact with a number of gentlemen who could pretty quickly give us figures for farms of different sizes and kinds or is this a more accidental example?—Mr. Wyllie is an official of the College, who I happen to know takes a considerable interest in the subject and does a great deal of work in getting out these records. That is why I got him to write this article, but I am quite sure the Board, if the Commission wish it, could possibly suggest farmers who to our knowledge do keep accounts of sorts.

884. With regard to your Table 9, the third column, "Yield per acre": is that an average of districts, or an average over the whole of the sales?—The average for Scotland?

885. Yes. How do you get that average?—It is based upon evidence collected by our crop reporters, 42 in number. They send in an estimate for each parish based on their own knowledge and information—and most of them do make some practical measurements. From these parish figures, duly weighted according to the acreage, the average is made up for the districts, and for the country as a whole.

886. That is what I wanted to know, whether it is a weighted average?—Yes, it is.

887. *Dr. Douglas*: With reference to Mr. Wyllie's publication, that I think was part of the result of an enquiry which the West of Scotland College made

through him as an official at the request of your Board, was it not?—I am not sure of that.

888. To revert to the question that has just been put to you with regard to the average figures, are these figures a true average? Take the 40·65 bushels of wheat and the 41·53 bushels of oats in the year 1918, for example. Is it an average, taking into account the quantities produced at different rates per acre?—It is a weighted average at any rate, starting from the parish average. The reporter furnishes us according to his information with what he believes to be a fair average for the parish.

889. Does he give you a total for the parish?—Yes, a return is supplied to him, giving the acreage of each crop by parishes, on which he subsequently fills in the yield figures.

890. There was a very considerable extension of cropping in Scotland during the harvest of 1917 and 1918 with the result that a good deal of land was brought into cultivation which had not been cultivated for a very long period?—Yes.

891. Is it within your knowledge that a very considerable part of that land in some districts was very imperfectly harvested?—How much does "a very considerable part" mean?

892. May I take you to the district of Kirkcudbright?—I do not know the condition of their harvest.

893. Take North Ayrshire?—I believe some of it was not well harvested—I have heard that.

894. There was a great deal of it lost in the harvesting, was there not?—I believe there was a certain amount lost—I do not know how much. I know they had a very difficult season.

895. The loss in harvesting in many parts of Scotland was so great that it formed one of the principal reasons for discontinuing the cropping of this land?—Yes, but of course under war conditions farmers put land under crops which they would hesitate to do under ordinary circumstances.

896. How do these facts reflect themselves in the figures submitted by you? Are they taken into account?—Oh certainly. It simply means that in the other districts the crops were good enough to make up for that. The proportion of wheat, I take it, in the south-west is not very large.

897. Are you certain that all these losses are taken into account by your reporters in the average they put forward?—Yes, I think so, although I do not want to put too great a value upon the reporters' figures. The reporters are in the great majority of cases themselves practical farmers who are familiar with the yield of the crops in their own districts. At the same time, I do not assert that they are statistical experts.

898. May I take it that there is a very large element of conjecture in the results arrived at in these Tables?—No, I would not say there is a very large amount of conjecture with regard to them, although I do not say they are mathematically precise.

899. What quantity of oats, for example, are weighed and fully accounted for, say, in Ayrshire?—I cannot say.

900. You do not know what proportion of farmers give a full acount of their granary work?—It is left to the reporter to go round and visit the different places which he does do and ascertain the facts from the best means at his disposal and put down what he considers a fair average figure for the parish.

901. I put it to you that a very large proportion of the oat crop in Scotland is produced not for sale but for use on the farm?—Yes, that is so.

902. And that in many districts it is common to thresh it week by week?—Yes, and in some parts day by day even.

903. Do you believe it is the general practice of farmers in districts where no selling is carried on to weigh their weekly threshings?—So far as my knowledge goes I think farmers have a very shrewd idea as to the total amount of their yield.

904. How do they get that idea?—From checking their stacks and their threshings. I am speaking of the north-east particularly.

905. It is on the farmers' statement of these weekly or daily threshings that the reporter makes up his report?—It is on the best information that the reporter can get from whatever source or means.

906. Is that the general character of his information in many cases?—To some extent—to what extent I cannot say.

907. He must often rely on statements of that kind made by the farmer, must he not?—I should think so.

908. He does not himself attend the threshings and weigh the proceeds, does he?—I should not think so.

909. Does he ever do it?—I cannot say.

910. If he does not do that he is dependent upon the statements which are made to him?—Yes, and, of course, his own judgment also. I have no doubt he goes round and forms the best opinion he can from his own observations, but obviously these figures are open to a certain amount of statistical criticism because they are based simply on a practical estimate. At the same time I do not think they are so bad as you appear to indicate from your questions.

911. I think you have answered most of my questions in the affirmative. With reference to your tractors and horses I believe you mentioned charges for hire which I think you and I have already discussed elsewhere?—Yes.

912. Did you make any money out of these transactions?—No.

913. How much did you lose?—I believe, speaking from memory, we lost at the rate of about 30 per cent., the reason for that being, of course, in the first place, that these tractors were used mainly for the cultivation of new land for additional cropping. It was difficult for the committees in the districts to arrange for all the land in one district to be ready for the tractor work at the same time. Some farmers required a little more persuasion to plough than others. The result was that a tractor might do a little bit of work in one parish and then move away to another place, and at the time it had finished at the second place a man in the first district had made up his mind to plough, and the tractor would go back to that district again. A certain amount of time was lost in that way, moving about from one place to another. Secondly, during bad weather the tractor men, of course, had to be paid; and, thirdly—as it was a matter, apparently, of vital importance that land should be ploughed—the tractors were very frequently put on land which was probably not altogether suitable for tractor work, simply because that was the only way of getting the land cultivated. Consequently, the bill for repairs, breakages, and so on, was a good deal higher than it would be where a farmer was using a tractor himself, and using it to the best advantage.

914. My question was not at all intended to criticise the fact that money was lost. I only wanted to make it clear that these figures do not give us any clue whatever to the actual cost of cultivation under normal circumstances?—The evidence I am giving now is secondhand evidence. I am simply quoting from what the chief engineer told me, basing his information on what he had been able to collect from local engineers and so on, that this would be a fair indication of the cost at which a farmer could run a tractor himself. I do not give that with any official authority behind it.

915. It is very difficult to check the accuracy of the figures?—It is very difficult to check.

916. *Mr. Rea*: I rather gathered from your answer to Dr. Douglas that your figures in the tables are not based upon actual results?—Not entirely.

917. They are not taken, as they are in England, at harvest time?—No, we get them in early in the autumn. I believe the reporters do try, as a rule, to get records of actual threshings as far as they can, but, of course, the figures are not based on threshings running over the whole of the winter.

918. So that really they are practically compiled from estimates?—Largely so.

919. I see that the average yield of wheat was five bushels in excess of that of barley?—Yes.

920. Do you attribute that to the fact that only the best land was put to the growing of wheat, or is there some other reason for it?—I should think that is probably one of the principal reasons. Of course, Scotland is not a great wheat growing country, and it is probably only on the best land and under the most favourable conditions that farmers think it wise to go in for wheat.

921. Barley is grown more on land of average quality?—Yes. Barley is grown largely in the north and on lighter land where they could not grow wheat.

922. Do you think, now that the danger of our food supply has gone, that much of the land that was ploughed in Scotland during the war will go back to grass again?—I should not like to express an opinion as to that.

923. *Mr. Anker Simmons*: Would it be possible for you to give us, by way of addition to these Tables, any statement with regard to the cost of labour, bearing in view the present scale of agricultural wages?—I should have mentioned that in my preliminary remarks. I looked into the materials that we have at the Board as to wages and so on—we have a certain amount of information with regard to wages—but it did not seem to us to be sufficiently complete to warrant us in putting a statement before the Commission. The Board desire me to suggest to the Commission for their consideration that if they want fairly precise, and I presume reliable, figures as to wages, the Commission might consider it advisable to call Sir James Wilson, the Chairman of the Central Wages Committee, as a witness. I believe he has fairly complete statements as to the standard rates of wages. We could quite easily put in the minimum rates as fixed under the Orders, but, in addition to those, Sir James Wilson could probably produce figures relating to the standard rates at various periods.

924. The standard rates would be of more use to us than the minimum rates?—Obviously.

925. Similarly would it be possible for you to collect information showing the difference in the amounts awarded by valuers for such items as ploughing, harrowing, drilling, and that sort of thing, as between 1913 and the present time? Have you any Association of Valuers who could give you, and through you us, that kind of information? I do not think it is information we should want at the moment, perhaps. It would be useful to us when we are considering the future?—I do not think we have any official record of that, but I will consider where we could suggest that information can best be got—if you wish me to do so.

926. If you would. I take it you have no information at the present time which would give us any information generally as to the cost of production?—No, I am sorry I do not think we could go a bit beyond the information we have given you in these Tables as regards that. We thought this out very carefully, and we could not see any possibility of going beyond these, which I admit are very insufficient data.

927. What would be the natural end of the financial year in the case of your farmers' accounts?—I should think after harvest. I believe some of them run the calendar year, but of course so few farmers keep accounts that it is difficult to generalise on that question.

928. *Mr. Overman*: With regard to the charges for tractors, how did you say these figures were arrived at? On the best information which could be got at the time, as to what it would cost a farmer himself to run the tractor.

929. Did you get that information from the farmers themselves or from your engineers?—Both, I think, but probably principally from the engineers.

930. I suppose you have arrived at the conclusion that these charges were inadequate?—They were inadequate to cover the cultivation as done by the Board's tractors. At the same time we had to put on a figure that would not frighten a farmer off altogether.

931. You have put down the price for ploughing at 25s. an acre for 1917-18. I conclude that the tractors would average about three acres a day in your country?—It varied very much; I could not tell you at the moment what it was.

932. Taking three acres a day as the average, it means that at 25s. an acre it would amount to £3 15s. a day. Grubbing you put down at 12s. 6d. I do not think that these figures can have been taken out at all accurately, because everyone knows that you can grub ten acres of land comfortably in a day. So that the charge of 12s. 6d. an acre would represent £6 5s. a day for grubbing alone. At the bottom you have got "Use of tractor alone for one day, 55s." That seems quite out of proportion, and I must say that it appears to me these figures are very inadequate?—I simply put them forward as the prices charged.

933. All I can say is that in my opinion they are not at all adequate and they are not at all proportionate.

934. *Mr. Batchelor*: Can you tell me whether the Scottish Board of Agriculture are farming any land themselves at the present moment?—Yes, land which has been taken over under the Colonies Acts, on which holders have not yet been settled.

935. Could the Board make up a balance sheet in respect of their farming operations over that land and produce it here?—That might be done.

936. What we are anxious to get at are balance sheets for the crop of 1918, and if the Board are farming any land, I would suggest that they should supply us with copies of their accounts?—I do not think we were farming very much land during the whole of last year.

937. However, if you will look into that, and supply us with balance sheets of any land that you were farming for the 1918 crop?—Yes, I will look into that.

938. *Dr. Douglas*: You could get accounts in respect of the West of Scotland College farm, could you not?—We could. Do you wish us to get that information for you or would you prefer to get it direct yourselves?

939. The accounts are in your possession, are they not?—I am quite sure we can get at them anyway.

940. *Chairman*: You will get those accounts for us, will you?—I will endeavour to do so.

941. *Mr. Ashby*: With regard to your Tables No. 1 to No. 8, taking the first group, have you any information which will enable you to weight these averages with the addition of averages for other products which would give you a general average increase in prices?—We have the prices of all the various commodities sold in the markets and we have the total produce. We have not a complete record of what is sold and what is used on the farm.

942. No, but have you any information on which you could assign given weights, say, to the three cereals and potatoes, fat stock, dairy cows, milk, hay and oat straw, which would enable you to say that the general average increase in price of home produce is such and such a figure?—I think we could do that as regards the cereals and potatoes, but when you come on to fat stock it is a little more difficult to get the precise amounts, and weights.

943. You have never attempted, as the English Board have, to establish a series of weights for these things?—No, we have not done that.

944. Do you think it would be possible to do that?—It would be possible, but whether we can do it just at the moment I am not quite sure without further enquiry. That is one of the things we had in view, but we had only been in existence two years when the war began, and we have been fairly busy ever since.

945. Would you agree that in the absence of such a series of weights these figures are of very little value? You have three cereals, and you say the percentage of increase for 1919 over 1913 is 133, 130 and 129 respectively. For fat sheep you have some at 78 and some at 75 per cent. increase?—Yes. I readily admit that that is a weak point in the figures.

946. As regards the purchase of farm requirements you would also agree that the statement of the average increase in the price of fertilisers and feeding stuffs does not give you any adequate idea of the increase in price of all farm requirements?—I quite agree.

947. *Chairman*: Did you not offer to give us details of that point if we wanted it?—I can give you corresponding figures for practically all the fertilisers and feeding stuffs on the market; I merely selected these two or three, as I did not want to overburden the Tables.

948. *Mr. Ashby*: Will you consider—taking the White Paper which the Secretaries can supply you with—whether it would be possible for you to give us the average prices for as many of the farm products as you have and to assign to them a series of weights, and then to take the prices of farm requirements in so far as you have them, and assign to them also a series of weights, and make an attempt to state the weighted average increase in price of farm products and also the weighted increase in price of farm requirements?—It would be very difficult to do that in the case of the farm requirements. I doubt if we have sufficient information to enable us to do that—but I quite see the importance of it.

949. You have no import information, for instance, with regard to the prices of farm equipment—take harness as an example?—No. We have no record of that.

950. You would have, I presume, statistical records with regard to Scottish agriculture for a number of years. It is true, is it not, that the decline in the area of arable land in Scotland from 1880 to, say, 1913 was nothing like so great, proportionately, as it was in England?—I should want to verify that by reference to the statistics.

951. I think we can ascertain that for ourselves from the published statistics.

952. *Mr. Cautley*: Will you look at Table 5, the one referring to milk? Were milk prices fixed in Scotland during 1918 and 1919?—I think so.

953. Was it a fact that in Scotland the farmer was getting 27½d.—2s. 3½d.—a gallon in June last?—That is the average for the year.

954. Yes, but he never got more than 2s. 3½d. at any time?—This figure I should say is the average of the prices recorded at Aberdeen, Dundee, Edinburgh, and Glasgow, including the two prices for Edinburgh milk—milk produced locally in the town dairies, as well as the rail-borne milk.

955. Was not the price of milk received by the producer fixed?—Yes, this is the wholesale price.

956. I am speaking of the wholesale price?—There are two prices in Edinburgh.

957. I do not understand what the 27½d. means?—It is the average of the prices recorded in the four markets I mentioned, and I am including the price of milk produced locally in the town dairies, as well as the price of rail-borne milk.

958. In England there is one price, and one price only, to the producer, plus carriage. Is the system the same in Scotland?—I cannot profess to carry all the Ministry of Food Regulations in my head, but I am quite certain there are two prices fixed for the Edinburgh milk.

959. May we have them, because 2s. 3½d. as an average price for the six months of this year, 1919, is out of all proportion to what the English farmer received. In June the price of milk in England was 1s. 3d. or 1s. 4d. per gallon?—Would not the price in the earlier months bring up the average?

960. It was never more than 2s. 3½d. I think the highest price as 2s. 2½d.?—I will look that up for you.

961. I am told that 2s. 3d. was the maximum for England all the time. It went down in June to 1s. 3d. The same thing applies to your figure of 23½d. for 1918. Will you inquire into that also?—Yes, I will have that looked into.

962. Now, if you will look at Table 7, the average prices of fertilisers, you will agree with me, will you not, that prices are higher now than they were? Take sulphate of ammonia, for instance. Am I right in saying that the price of sulphate of ammonia is at least £19 a ton now?—At the present moment?

963. Yes?—I am quite prepared to take that from you.

964. I would rather you did not take it from me. I am not giving the evidence, you see, but I speak from a little experience?—I cannot say what the price of sulphate of ammonia is at the present moment.

965. Has not nitrate of soda also increased beyond the figure shown here?—That is the average of six months—for the first half of 1919.

966. Are not the prices of these two commodities considerably higher at the present moment than the prices you have put down here?—I can supply you with the prices at the present moment.

967. I should like to have them, but I do not want to overburden you?—I shall be delighted to supply you with them.

968. Thank you. Will you turn to the next Table, Table 8? I would ask you the same sort of question as to that. You put down the average price of linseed cake for the first half of 1919 as £19 2s. 7d. a ton. Was that the price from the merchant?—I should think so.

969. Is not the price to-day from the merchant £26?—At the present moment?

970. Yes?—This is the average for the six months.

971. I quite understand that?—Do you wish me, in effect, to add another column to this Table showing the present prices?

972. I do not want to overburden you; I only want you to answer the question, if you are in a position to do so?—I have not got last week's prices with me, or I could tell you in a moment what the present prices are.

973. *Chairman*: Will you furnish us with those?—With pleasure.

974. *Mr. Cautley*: Is not the price of cotton cake to-day £29 10s. a ton?—I am in the same position with regard to the price of cotton cake.

975. Will you tell me how these average prices of feeding stuffs were arrived at?—They were simply made up as an arithmetical average of the prices recorded in our weekly reports.

976. The weekly reports made to the Scottish Board?—Yes, by the Board's market reporters.

977. Are they made from price lists, or are they made from information which your reporters gather from the markets?—They are made on information gathered from the markets in all cases.

978. But from no merchant's price list, or standard prices, or anything of that kind?—They are a record of actual transactions.

979. Will you now look at the prices charged for the hire of the Board's horses? Is the present price for two-horse ploughing 25s. an acre? That is the price you state. It is headed "1917–1918"?—Two paragraphs down you will find a record of the prices charged for 1918–1919.

980. Are these the prices actually charged by the Board?—Yes, to the farmer.

981. That was for doing the extra ploughing the farmer had to do under the orders to plough up?—Yes, or where the farmer was not able to undertake it himself, whether under order or otherwise

982. Does the answer you gave with regard to tractor ploughing, that you did it at a loss, apply to the horse ploughing?—No, I think we came out just about square in the case of the horse ploughing.

983. Have you any accounts to show that?—They are now being made up.

984. Are we likely to have them?—If you wish.

985. Yes?—Certainly.

986. Can a farmer to-day get his ploughing done for 28s. a day—pair horse ploughing?—By the Board's horses?

987. No, anywhere?—That is a matter of local circumstances.

988. You do not know?—No, I have no official information as to whether he can or not.

989. *Mr. Dallas*: You have no figures as regards wages. You suggest that we should get those from somebody else?—I think you will probably get them more completely from the Central Wages Committee, who have collected the figures.

990. Surely the Board of Agriculture have got figures prior to the setting up of the Wages Committee?—We have got a certain amount of information, but it is not of such a complete and authentic kind that I could put it before the Commission as being reliable.

991. We have been told that the English Board of Agriculture are very keen on seeing that agriculture is made as prosperous an industry as it is possible to make it in order that a very large number of people should be kept on the countryside. Do the Scottish Board of Agriculture take the same point of view?—That is part of the reason for which the Scottish Board of Agriculture was called into existence—to endeavour to develop the small holding system. That is one of their duties under the Act under which the Scottish Board of Agriculture was formed.

992. I was not thinking so much of small holdings as of the agricultural industry generally and of the creation of a large agricultural and rural population. In order to obtain that, they evidently think it necessary to give some guarantee to the farmer. Do your Board take that view as well?—That is a question of policy with regard to which I am not in a position to give any opinion, and I do not know whether the Board would express an opinion on that subject.

993. Can you give us the produce and the acreage in 1913 for wheat, barley and oats?—Yes, I will supply you with the information.

995. *Mr. Duncan*: You stated that the Board had some information about wages. Is it not the case that your reporters do report as to changes of wages in the various districts?—Yes.

996. Were not your reporters reporting prior to the establishment of the Central Wages Committee in Scotland?—They did furnish a certain amount of information, but it was not given in a very precise or tabular form in which it would be easy to extract it and prepare it for such a purpose as the Commission desires. We went into it very carefully and spent a considerable time going through it, but the result was not quite so good as one could wish, and we know that Sir James Wilson does have Tables containing the information.

997. You seem to leave the Commission under the impression that Sir James Wilson has got information which the Board have not got. In view of the fact that Sir James Wilson did not arrive in Scotland until the year 1917, and that he had no machinery for arriving at wages prior to that date, would he be in any better position than the Board's officials to give us any information about wages from pre-war times up to the present?—I understand that he collected information as to the standard rates of wages in the year 1914. I merely put forward the suggestion to the Commission as I was instructed by the Board to do. It is entirely for the Commission to consider whether they should have Sir James Wilson before them or not.

998. Would it be possible for the Board to give us information as to the rates of wages current in, say, four typical counties in Scotland in the months of June and December from the year 1913 onwards, and at the same time to give us the prices from their weekly reports of cereals, fat stock, milk and potatoes for the same period?—We could certainly give you the prices of the commodities. As to whether our figures with reference to wages are good enough for your purposes I am very doubtful. I may say we went into this very carefully and that is the conclusion at which we arrived.

999. If I were to ask the Board to produce these figures for, say, the counties of Haddington, Forfar, Ayr and Aberdeen, would it not be possible for the Board to make enquiries as to the rates of wages at the time I have suggested?—I should say that obviously the best persons of whom enquiries of that kind should be made are the Central Wages Committee. I do not know what the Board would do, but I should think, having regard to the machinery which was specially set up for ascertaining these figures, the Wages Committees would naturally be the best source for providing the information. I hope you will not look upon that as a refusal to get any information we can for you; it is simply a suggestion as to the best source to which to apply.

1000. I know the information exists and that it is available to the Board?—We have certain information on our files, which I saw, but if I were to put it forward I should be merely putting before you something at second hand, something for which I was not responsible.

1001. The Chairman of the Central Wages Board would be in the same position, as obviously he was not in the country himself at the time, and had no machinery existing beforehand for getting the information with regard to the cost of the working of the Corn Production Act, Part 2?—Yes, I can supply that.

1002. As to the prices charged for the hire of the Board's tractors, did the Board consult with the district Agricultural Committees as to the prices to be fixed for the use of the tractors?—I am not sure. I could not tell you from memory whether we did or not.

1003. My impression is that they did?—I think it is probable that they did, but I should not like to give a categorical answer to that from memory.

1004. *Mr. Green*: The area in Scotland allocated to discharged soldiers and sailors is 20,000 acres, is it not?—That is so under the Act now.

1005. Have you got applicants for that amount, do you know?—We have a considerable number of applicants; I have not got the precise figures with me.

1006. How many acres are the Board farming at the present moment?—I cannot tell you offhand. I can get that information for you.

1007. I understand that small holdings are not popular in Scotland amongst the farm workers: is that so?—I really could not say; I should think probably opinion varies with regard to that. What the average general opinion may be I could not tell you.

1008. Are the majority of them corn growing smallholders, or grass-growing smallholders as a rule?—I should say the majority of them are working arable land. Of course, in the Highlands part of the holdings is for sheep, but some of it is arable.

1009. Market gardens chiefly?—No, not chiefly; very few I should think.

1010. Do you tell us that the Scottish farmer does not, as a rule, keep accounts? I always thought he was far better educated than the English farmer?—That is the popular belief in Scotland, but I cannot offer any evidence on the subject.

1011. *Mr. J. M. Henderson*: I gather that you have never made any really serious attempt to get a balance sheet from any farmer?—No, the Board have not had to do that.

1012. The popular idea is that farmers cannot keep accounts?—I do not know what the popular idea is, but that is not my idea. Many farmers do keep accounts, and I do not want to be taken for a moment as saying that farmers do not keep accounts—far from it. I know some farmers who keep accounts, and most excellent accounts, and many other farmers keep accounts of kinds.

1013. You have not got anything from farmers to enable you to give tables such as you have done in the case of stock?—No, we have never gone so far.

1014. In working out farm wages, I presume you would make allowance for the fact that in Scotland almost universally the farm servant is kept by the farmer. Do you allow anything in his charges for board and lodging?—Yes, certainly.

1015. Have you any figure for that?—No, not at the moment.

1016. In making up such an account, I take it you would have to give credit also for the assessed rent of the living house?—I should say so, certainly.

1017. And the keep of the family which they get off the farm?—Everything, I should say, that the man gets in payment, whether in kind or in cash.

1018. I am speaking of the farmer himself, not of the farm servant?—I should point out, of course, that in answering these questions I do not profess for a moment to be a costings expert.

1019. It does not want an expert to know that?—I give my opinion simply for what it is worth.

1021. You spoke of the Board doing some farming?—Yes.

1022. Would that be college farming?—No, I had not that in mind when I answered that question.

1023. Is it more in the nature of a demonstration farm?—No, these demonstration crofts are run by the colleges and the Board are financially ultimately responsible for them. What I had in mind when I answered that question was that the Board have recently bought one or two farms for the purpose of breaking them up under the new Colonies Acts, which the Board are carrying on at the moment as a purely provisional arrangement.

1024. You are not, therefore, in a position to put that forward as a criterion of the profits of farmers?—I should be very doubtful as to the value in that respect of the accounts relating to these farms.

1025. With regard to average prices, you have the fiar's prices on which the stipends are fixed?—Yes.

1026. Do you really look on those as fairly accurate?—We publish them in our statistics.

1027. Have you taken those into consideration?—No, they are not included in these Tables.

1028. You have taken the actual local prices in the market?—Yes, it has been more convenient to do that. I do not cast any doubt on the fiar's prices, but it was more convenient in making up our Tables to take our own market reports.

1029. Do you think it would help the Commission if the Board of Agriculture for Scotland—there are some very able men on it—were to get into touch with one or two farmers and get from them all the facts that it is possible to obtain, so as to prepare something like a balance-sheet such as you have done in this other case?—Do you mean, in effect, that the Board of Agriculture should collect evidence on behalf of the Commission?

1030. We are allowed to get evidence from whomsoever we can, and you are a Government body, and you ought to help us, if it is within your power to do so?—I am quite sure, if the Commission wished us to help you in that way, that the Board would do it.

1031. You have great facilities, and you could easily tackle one or two of the farmers—say one or two big farmers and one or two small farmers—and get their figures as fas as it is possible, and criticise them as far as you are able, and let us have as near as you can what you make the balance-sheet to be.

1032. *Chairman*: I think what we should be most delighted to have are the statements of account from farmers. I feel sure that you could get them readily, because you would know the people to whom to go, whereas we do not?—Yes, I am sure we could help you in that way.

Chairman: We shall be glad if you would go to some of these people and get statements of account from them and be so kind as to send them here with any comments you have to make upon them, and, in case of need, we could ask the farmer to come up and give evidence here, or we might use the statements of account as sufficiently vouched by your having seen them and sending them to us.

Mr. J. M. Henderson: Thank you, Sir William, that is exactly what I want.

Witness: I am sure the Board will be only too glad to help you in that way.

1033. *Mr. Thomas Henderson*: I gather from your reply to Mr. Duncan that you are going to prepare these typical wages from 1913 to the setting up of the Wages Board?—I do not want to undertake it definitely. I will certainly go into it again more carefully when I go back, and if it is possible to put forward any figures that we can stand up to, I will certainly do it. At the same time, I should be very reluctant to put forward figures that we could not guarantee as accurate.

1034. Assuming you fail in your efforts, would it be too much to ask you to let us have your returns, incomplete as they are?—I question whether the Board would put forward any figures that they could not stand up to.

1035. We only ask the Board to give us such information as they have with regard to wages.

1036. You have the monthly reports?—Yes, we have those, and we extracted all the information we could from them.

1037. Are you prepared to do that?—Certainly.

1038. Have you any information regarding the migration from the farming districts in Scotland before the war?—Special information of our own?

1039. Yes?—No, I do not think so.

1040. Do your reporters not give you any information at all about that matter?—They give information in general terms as to the supply of labour, but they are not in a position, in fact, to give any precise statement as to migration. I know we have to rely on the Census Tables ourselves if we want any information of that sort.

1041. Have you any information regarding the financial results of smallholdings in Scotland, or could that be obtained?—That might be obtained; we have some accounts relating to that in the office.

1042. Those would be very helpful to us, I think. Do you keep any sort of register of applications for smallholdings?—Yes.

1043. Is there any kind of tabulation you resort to in dealing with those applications? Do you divide your applications into previous occupational categories, for instance?—Yes, I believe so.

1044. Can you tell us how many farm workers have applied for smallholdings?—I think so.

1045. Would you supply us with that information, please?—Yes.

1046. I do not want to put any invidious questions to you regarding matters of policy, but it was stated here, I think, that the policy with regard to the Corn Production Act was arrived at in consultation between the Government and the Board of Agriculture for England. May I ask—if it is a fair question—whether the Board of Agriculture for Scotland were consulted?—That is a matter with regard to which the Secretary for Scotland would be the ultimate authority to approach. I could not answer with reference to that.

1047. Can you tell us what amount of land has been taken over by your Board under the provisions of that Act?—Do you mean for cultivation?

1048. Yes?—We have not done anything under that Act so far. Up to the present we have been acting under the Defence of the Realm Regulations.

1049. Has any land been taken over compulsorily?—Entered upon and taken possession of?

1050. Yes?—Oh, yes.

1051. Will you let us have that information, too?—I will.

1052. *Mr. Langford*: With regard to Table 5 dealing with milk, could you tell us whether this

"average wholesale price" means the producer's price or whether it means the wholesaler's price, which is a very different thing?—It is the producer's price, I believe.

1053. I am not here to give evidence, but I do not think you are quite accurate there?—Do you think I am wrong?

1054. I am certain you are?—I am quite prepared to look into that again. I have had these Tables prepared, as I have already indicated, under the greatest pressure.

1055. It would be a pity, if it is wrong, for this to go out as the producer's price. It would appear to say that the producer's price per gallon in the first half of 1919 was 2s. 3½d., whereas it is more nearly approximating to 1s. 10d. The producer's price for May was 1s. 6d. and the producer's price for June—which would be the latest month of the half-year—was 1s. 4d., and I think I am right in saying that the price for January, February, March, and April certainly was not more than 2s. 3d.?—I will have that checked again.

Dr. Douglas: Would you ask whether the special prices allowed in town districts have been added to the normal average prices. If so, it confuses the figures.

1056. *Mr. Langford*: Even assuming that those special prices are included, which are applicable only to two places, Edinburgh and Dundee for stall-fed cows, the prices could not be 2s. 3½d.?—It was only included as regards Edinburgh, and the effect of that one figure would not be very great when you take the whole into consideration. I do not think it would mean more than ½d. a gallon probably.

1057. If my suggestion is right, the price would work out at 1s. 10d. instead of 2s. 3½d., and if 1s. 10d. is approximately the figure, the increase instead of being 214 per cent. would be more nearly 150 per cent., which makes a very considerable difference?—This is certainly the average of the prices returned to us, but I will have that looked into, seeing that some doubt appears to exist on the subject.

1058. A question has been put to you as to the amount of tillage that has reverted to pasture within recent years—pre-war. I put it to you that a good deal of the land of Scotland does not lend itself successfully to being laid down to permanent pasture?—I think that is generally recognised.

1059. That is probably the reason why a less proportion of the land reverted to pasture in Scotland than was the case in England?—Possibly.

1060. *Mr. Lennard*: Have you in Scotland any system of grading milk, at different maximum prices, in the case of certain producers under certain conditions?—I think not, so far as I know.

1061. If that is so, the 2s. 3½d. cannot be due to a preponderance of a better quality of milk or grading?—No, this does not include any allowance for grading. Whether any local grading is done or not I do not know.

1062. There is no higher maximum price for graded milk, or a specially good quality of milk produced under special hygienic conditions? I believe in some cases that is so, but that is certainly not included in this Table here.

1063. You mean this only includes the ordinary quality of milk and does not include any special quality?—That is so.

1064. I notice that in reference to all the farm products for which the figures are given here, with the exception of first-quality dairy cows, the average price for the first half of the year 1919 is higher, and in some cases considerably higher, than the average price for the year 1918. Is it usually the case that the price for the first half of the year runs higher, or is this due to a general upward movement of prices during the first half of this year?—I should not like to go into the causes of the increase of prices. There are many factors affecting prices just now, and I should not like to allocate a cause for the rise.

1065. Supposing you take the first half of 1918 instead of the average over the whole of the year, and compare the average of the first half of 1918 with the first half of 1919, would you still find a rise?—I do not know. It would depend upon the circumstances of the year entirely, would it not?

1066. Could you give us those figures, so that we may be in a position to compare them?—The figures for the first half of 1918?

1067. Yes. The figures we have here are for the first half of 1919, and it may conceivably be the case that prices generally run higher in the first half of the year. Therefore, if we get the corresponding figures for the first half of 1918, we shall get a better indication of the movement of prices by comparing the first half of 1919, not with the annual average of 1918, but with the average of the first half of 1918?—I quite see your point.

1068. *Mr. Nicholls*: I only want to ask one question, that is with regard to your reporters. There is some doubt in my mind with regard to your system. Did you say that your reporters are practical farmers in most cases?—In practically all cases; and where a reporter is not a man who is actually farming land himself, he is a man in close touch with farming.

1069. If a practical man goes to a farm, say at harvest time, or just after harvest when the first threshing is on, and gets into conversation with the farmer, is it not quite possible for a practical man to form a critical estimate as to what the yield per quarter or bushel will be in the case of that farm?—That is certainly the doctrine underlying the system on which these reports are got.

1070. It seemed to me the suggestion was that the man ought to go round with a machine and weigh every bushel of corn before he could express an opinion. It seemed to me that he could form an estimate, and if he is a practical farmer himself, do you think there is any danger that he would overestimate the yield?—I think a practical farmer would probably come fairly near it, although he is certainly liable to error.

1071. If there was any error it would be rather the other way, would it not?—That, I think, depends on the temperament of the farmer, does it not?

1072. *Mr. Parker*: I do not wish to ask any question. I should like just to make one suggestion to you. You have kindly promised to obtain and send us some balance-sheets?—If they can be obtained.

1073. Could they represent different sizes of holdings and different districts and methods of farming?—So far as possible.

1074. *Chairman*: It is understood that you are going to prepare and forward to the Commission these amended figures which you have kindly promised to get?—Yes, as far as it is possible to do so.

1075. As to the balance-sheets and other things that you have agreed to recommend the Scottish Board to get for us, you will undertake to do your best in that direction and to forward them as soon as you possibly can?—Yes, I will put it before the Board on Friday morning, and undertake to do everything I can to supply you with what is wanted.

(*The Witness withdrew.*)

THIRD DAY.

TUESDAY, 12TH AUGUST, 1919.

PRESENT:

SIR WILLIAM BARCLAY PEAT (*Chairman*).

DR. C. M. DOUGLAS, C.B.
MR. G. G. REA, C.B.E.
MR. W. ANKER SIMMONS, C.B.E.
MR. HENRY OVERMAN, O.B.E.
MR. A. W. ASHBY.
MR. A. BATCHELOR.
MR. GEORGE DALLAS.
MR. W. EDWARDS.
MR. F. E. GREEN.
MR. J. M. HENDERSON.
MR. T. HENDERSON.
MR. T. PROSSER JONES.
MR. E. W. LANGFORD.
MR. R. V. LENNARD.
MR. GEORGE NICHOLLS.
MR. E. H. PARKER.
MR. R. R. ROBBINS.
MR. W. R. SMITH, M.P.
MR. R. B. WALKER.

MR. HARRY GEORGE HOWELL, F.C.A. (Director of Agricultural Costs under Agricultural Costings Committee), Called and Examined.

Chairman: Perhaps you would allow me to put in, without reading it, the memorandum which you are so kind as to give us with regard to the Agricultural Costings Committee?—Yes.

1. *Constitution and Objects of the Agricultural Costings Committee.*

1076. The Costings Committee was set up recently as an independent body by the Board of Agriculture and Fisheries for England and Wales, the Board of Agriculture for Scotland, the Department of Agriculture and Technical Instruction for Ireland, and the Ministry of Food.

1077. The appointment of the Committee was rendered necessary owing to the complete lack of reliable data concerning the costs of production of farm products, and other information bearing on the economic and financial aspects of the industry.

1078. During the war the absence of such information was especially felt in the endeavours made to fix prices equitable both to the producer and the consumer, and in considering fair rates of wages.

1079. When prices were under consideration the invariable and natural demand of the consumer was for reliable costs of production to justify the prices which were being adjusted, and the absence of such information caused a spirit of distrust and dissatisfaction on both sides.

1080. In the same way the Wages Boards have been handicapped in their efforts to determine rates of wages.

1081. It was considered, however, in setting up the Costings Committee that the guidance furnished by the statistical data would assist in the formulation of a national agricultural policy; would be valuable to the agricultural industry in various ways, and also to the individual farmer, as bearing on the question of good farm management.

1082. The Costings Committee is intended to be a permanent body.

1083. The scope of the Committee's investigation extends over the whole of the United Kingdom and the results obtained will be collected and centralised. It was considered essential to have one controlling body to deal with the organisation and returns of the three countries, in order to secure uniformity of treatment in the collection and presentation of the results.

1084. The functions delegated to the Committee are two-fold.

(1) *Temporary.*—To obtain costs of production of particular items of agricultural produce as may be required by the Ministry of Food for their special duty in the control of prices.

(2) *Permanent.*—To obtain such permanent information as to the costs and results of farming as is required by the Departments of Agriculture and the Agricultural Wages Boards.

The subjects of the Committee's investigations will therefore include the following information in respect of all types and classes of farms:—

Costs of Production generally.
Profits (or Losses).
Cost of Wages.
Cost of Feeding Stuffs.
Cost of Fertilisers and other expenses in the carrying on of the industry.
Rents.
Value of Land.
Amount of capital invested by landlords and farmers respectively in Live Stock, Machinery and Implements, Land and Buildings, Drainage and permanent improvements, etc.

1085. From this data statistics will be available showing, in addition to costs and profits, a considerable amount of information relating to the economics of the industry such as:—

Amount of capital invested per acre.
Return on capital per cent.
The most economic size of farms.
The most economic type of equipment.
The districts where products are grown most cheaply.
Operation costs of various types of equipment, etc., etc.

1086. The Committee is executive in character and can initiate necessary schemes and take steps through the machinery that is available to obtain any information required.

1087. The status of the Committee is that of an impartial body, independent of any of the interests concerned and without political bias; whose duty is to ascertain facts, and whose findings can be relied on by all parties concerned.

1088. The Committee has no compulsory powers to require information to be furnished, and is dependent in its work on the co-operation of all concerned in the industry.

1089. All information furnished to the Committee is under a guarantee of secrecy, to be used anonymously for the Committee's statistical purposes. The farms will be denoted in the Committee's records by a letter or a number, and the information obtained will not be used in any way for taxation purposes.

1090. For the time being the Minister of Food answers to Parliament on behalf of the Committee. If and when the Ministry of Food ceases to exist the Committee will continue its work, but the responsibility to Parliament reverts to the Boards of Agriculture.

1091. The Committee is to report its proceedings to the Ministers of the four Departments (*i.e.*, Departments of Agriculture and Ministry of Food) named above.

1092. The names of the Committee are as follows:—

Representing Ministry of Food:—
W. H. Peat, Esq. (Chairman).
Lord Bledisloe, K.B.E.
E. F. Wise, Esq., C.B.
W. Anker Simmons, Esq., C.B.E.
C. B. Fisher, Esq., C.B.E.
A. P. McDougall, Esq., C.B.E.

Representing Board of Agriculture and Fisheries:—
Sir Henry Rew, K.C.B.
Hon. E. G. Strutt, C.H.

Representing Board of Agriculture for Scotland:—
Sir Robert Greig.
P. A. Francis, Esq.

Representing Department of Agriculture and Technical Instruction for Ireland:—
Professor J. R. Campbell.
Dr. Hinchcliff.

Representing Oxford Institute for Research in Agriculture Economics:—
C. S. Orwin, Esq.

Representing Consumers' Council:—
Mrs. Reeves.
R. B. Walker, Esq.

Representing Agricultural Council:—
E. W. Langford, Esq.
A. Batchelor, Esq.

Representing Irish Agriculturists:—
Col. Sir Nugent Everard, Bt.

2. *Progress of the Committee's Work.*

1093. The Committee up to the present has been engaged on necessary preliminary work, and in the development of a permanent scheme of organisation for its future work. As a first step representatives of the Committee had meetings in the three countries with leading agriculturists and obtained their views on the best means of carrying out the Committee's objects.

1094. At the end of May last a Conference was held with representatives of the leading Agricultural Organisations named below to consider the objects and methods of the Costings Committee, and to discuss possible methods of co-operation:—

The Central and Associated Chambers of Agriculture.
The National Farmers' Union.
The Royal Agricultural Society.
The Farmers' Club.
The Agricultural Organisation Society.
The Co-operative Wholesale Society.
The Surveyors' Institution.
The Central Landowners' Association.
The Land Agents' Society.
The Tenant Right Valuers' Association.
The Workers' Union.
The National Agricultural Labourers' Union.
The Welsh Farmers' Union.
The Welsh National Agricultural Council.
The Scottish Chamber of Agriculture.
The Highland and Agricultural Society.
The National Farmers' Union of Scotland.
The Scottish Smallholders' Organisation.
The Scottish Agricultural Organisation Society
The Scottish Co-operative Wholesale Society.
The Scottish Estate Factors' Society.
The Scottish Farm Servants' Union.

1095. Representatives attended from practically all these Organisations, and the following Resolution was passed:—

"That the members of the Conference present fully endorse the value of the work of the Agricultural Costings Committee and are anxious to render all possible assistance on the lines of the Agenda put before them."

1096. Further steps have since been taken to develop the co-operation of these bodies.

1097. Another Conference, with the same objects, has also been held with representatives of the various Agricultural Colleges in England and Wales, at which a Resolution was also passed agreeing to co-operate with the Committee.

1098. Having thus ascertained the views of those connected with the Industry, the Committee prepared a Scheme of Organisation and submitted this to the Treasury for the necessary approval, which after some time was granted.

1099. Immediately the Treasury sanction was obtained, steps were taken to secure a number of Costings Officers to assist farmers throughout the Kingdom to keep the necessary accounts and records, and to collect and analyse the data obtained. The appointment of these officers will be made within the next two or three weeks.

1100. Pending the appointment of these Costings Officers, a large number of the principal farmers and others have been approached by means of correspondence from the Head Office. At present about 400 have written offering their assistance and agreeing to allow their financial accounts to be used by the Committee. With the full development of the Committee's programme of publicity and propaganda, a much larger number of farmers will be got in touch with in the future.

1101. The necessary forms and systems of account have been prepared.

3. *Future work of the Committee.*

1102. In general terms, the future work of the Committee will be in co-operation with the existing agricultural organisation, the agricultural colleges, County Executive Agricultural Committees, and other available machinery, to induce farmers to keep financial accounts and cost accounts, and in return for information supplied, to give where necessary, some degree of assistance in the keeping of the records. The information so obtained will be centralised and tabulated at the Head Office. The

accounts referred to will be framed on uniform lines, so that reliable comparisons may be made.

Note.—By financial accounts is meant the usual accounts of income and expenditure which issue in a yearly profit and loss account and balance sheet, showing the total profit or loss on the working of the farm—but not showing the result of each branch of the farm.

By cost accounts is meant the further detailed records, in addition to the financial accounts, which are necessary to ascertain the costs and result of each separate crop, class of live stock, etc.

1103. An endeavour will be made to assist in standardizing the teaching of farm book keeping and accounts throughout the Kingdom.

1104. In addition to encouraging the keeping of the accounts mentioned above, the Committee will undertake surveys and investigations into costs and financial results generally.

1105. It will also endeavour to promote the formation of local organisations, on the lines of the book-keeping bureaux in existence on the Continent and elsewhere, to furnish local assistence to farmers in the closing and balancing of their yearly accounts, the preparation of annual inventories, etc.

1106. In consequence of cost accounts—as distinct from financial accounts—requiring more detailed records, a greater degree of assistance to farmers will be necessary with these accounts, and for this purpose the country costings officers of the committee will be used in the following way:—

1107. In each local area, a group of typical and representative farms will be formed. The costings officer will be made responsible for this group. He will visit each farm periodically and will give necesary advice and assistance to the farmers as regards the records. The farmers will be asked to keep the original record of the analysis of labour, consumption of foods, etc., on forms rendered as simple as possible, and the costings officer will undertake the necessary further analysis and tabulation, and will then forward the results to the Head Office of the Costings Committee.

1108. Owing to the backward state of account keeping in the industry, and the fact that the Committee possesses no compulsory powers, a considerable amount of continued publicity and propaganda will be necessary, and this will be undertaken by means of the press, farmers' meetings, issue of pamphlets and publications, agricultural shows and markets, correspondence, etc.

4. *Accounts Available.*

1109. So far as can be ascertained there are very few reliable cost accounts in existence, although numerous estimates of doubtful value are put forward from time to time.

1110. There is a much larger number of financial accounts of various kinds, the majority of which are not audited, and an annual inventory is in many cases not taken.

1111. In a large number of cases some analysis of the labour is also kept in a labour book and in certain cases this might be made a foundation for an investigation into the costs of the different branches of the farm, though such investigation work would involve the expenditure of some time and would be of only approximate accuracy.

1112. It should be remembered that, generally speaking, the farms where accounts are kept would be the larger and better class Farms and to that extent not representative of the industry as a whole.

5. *Financial Accounts.*

1113. Owing to the operation of the Income Tax assessments and other causes, farmers in much larger numbers are now said to be keeping financial accounts.

1114. The difficulty involved in keeping these accounts lies not so much in the current day-to-day book-keeping work, but in the opening of the accounts in the first instance, and in the annual balancing and closing up, and preparation of the inventory, and it is in this work that the local book-keeping Bureaux previously referred to would prove useful.

1115. In comparing financial results as shown by accounts care must be taken that profits are arrived at on a common basis, *e.g.*, that all receipts and credits have been included in each case, and that the nature of the expenses charged against the profits is also uniform as regards:—

Personal drawings and private expenses.
The cost of farm produce consumed by the household.
The cost of improvements or other capital outlay as distinct from recurring revenue charges for repairs, etc.
Interest, including interest on capital.
Amounts owing to and by the farm at the date of the balance sheets.
Labour contributed by the family.
Depreciation.
In the case of home farms, supplies to and work done for estate owner, etc.

1116. Also, the basis on which the annual valuation has been prepared (*e.g.*, whether cost price or market value) has a material bearing on the profit shown for that year.

6. *Cost Accounts.*

1117. As has been stated, this branch of accounts has hitherto received very little attention from the general body of farmers. The additional records necessary, in order that the cost of each branch of the farm may be shown are:—a record and analysis of labour (man, horse, and tractor), foods consumed, manures and fertilisers applied, seeds used, etc.—an apportionment over the several branches of the farm, of the amount of the rent and rates, unproductive and idle time, and general overhead expenses—the unexhausted values of manures and the cost of cleaning land, must be spread over the crops in the rotation, and an adjustment made in respect of the manurial values of foods consumed by the live stock.

[*This concludes the evidence-in-chief.*]

Chairman: Then I will ask Mr. Walker to begin his questions on the subject.

1118. *Mr. Walker*: The Agricultural Costings Committee, I believe, is a Committee set up for the purpose of obtaining information concerning the cost of production in the industry? Is not that so?—Yes.

1119. Do your Committee then assist agriculturists to keep accounts?—We shall have to assist the industry, to some extent, to keep accounts.

1120. At whose expense?—At the expense of the Committee, for the time being.

1121. In other words, at the public expense?—Yes, at the public expense.

1122 Is one of the objects of the Committee to use the information when obtained, for the purpose of fixing and determining wages, or to assist in the fixing or determining of wages?—That has never been specified as one of the objects of the Committee; but the results obtained cannot fail but to be helpful in the consideration of all such questions as wages and other important questions affecting the industry.

1123. I put that question, because in your evidence-in-chief you use these words: "The Wages Boards have been handicapped in their efforts to determine rates of wages" owing to the cost of production, and so on?—Quite. One of the objects of the Committee is to get such information as may be required from time to time by the Agricultural Wages Boards.

1124. So that there is a connection between the Agricultural Costings Committee and the Agricultural Wages Board to that extent?—Yes.

1125. That is clearly understood, so far as your Committee is concerned?—That is so. One of our objects is to get such information as may be required by the Agricultural Wages Boards.

1126. Has that information been sought by anyone connected with the Wages Board of Agriculture itself?—The Irish Wages Board has asked us if we have any information yet with regard to the cost of production of cereals.

1127. I am dealing principally with the English and Welsh Board. Has that information been sought by any responsible official in connection with that Board?—No, it has not. What has happened is that I have written to the English Wages Board, telling them what they probably knew already, that one of the objects of this Costings Committee was to obtain such information as they might from time to time require, and asking them if, when they require any specific information, they would let us know.

1128. The reason I asked that question is, because I want to know on what authority you make the statement I quoted from your chief evidence?—You mean that we are to require information as required by the Wages Board. Is that your point?

1129. Yes?—That is embodied in what I roughly term our charter, that is, in the particulars drawn up by the Departments of Agriculture and the Ministry of Food jointly when the Costings Committee was formed.

1130. My next question is: Are you aware that there was no attempt to correlate the wage fixed under the Corn Production Act with the guaranteed price to the farmers, or that, in fact, in fixing the recent advance in wages, there was no correlation between the cost of production and prices obtained? Were you aware of that?—I was not.

1131. Has your Committee so far obtained any statistical information regarding the cost of production?—No, it has not.

1132. When do you expect to be in possession of such information?—It is rather difficult to say. It depends on the particular costs that may be required from time to time. For example, if you want the cost of production of cereals throughout the country you cannot possibly get it until a full year from next Michaelmas has elapsed, in order that all the costs which have occurred during that year of production may be properly recorded. If you want the costs of other products they could be got in a much shorter time.

1133. Could you give us the actual date when this Costings Committee was formed?—Towards the end of last year, I believe.

1134. And up till now there is absolutely no information that is of any use to this Commission?—That is so.

1135. *Mr. Smith*: Can you tell us what steps you have taken as a Costings Committee to obtain information?—The steps are to some extent indicated in the *précis* of evidence I have put in. We have had to prepare a scheme for the working of the country generally, that is to say, lay down the general lines on which this information shall be obtained. We are now on the point of appointing costings officers who will act in the various parts of the country, giving the necessary assistance to farmers in keeping the cost records.

1136. Some farmers kept their accounts previously, did they not?—Yes, accounts. I was speaking then of cost records as distinct from the ordinary receipts and payments account.

1137. Can we take it that as a Costings Committee you have not come across any instance of accounts being kept showing costs of production?—Yes, there are cost accounts in a few instances kept up and down the country. There are not many, but there are some.

1138. Would they be available for your Department for the use of this Commission?—A certain number of them would, yes.

1139. Do your Department, in taking these figures of these accounts, take any steps to verify the information contained therein?—In the cost records which are to be taken in the future we shall take such steps.

1140. Would you think it fair to say that the inexperience of farmers in the matters of accounts might lead to errors in the compilation of the returns?—That is quite possible.

1141. And therefore these accounts might have to be subjected to very careful scrutiny before they could be submitted as anything in the nature of real evidence?—As I say, they would be subject to that scrutiny from week to week, or at frequent intervals. I am referring now to the cost records which will be compiled in the future, and not to such as may already exist.

1142. And at the moment you have no evidence?—Not actually in the possession of the Committee. We can get a considerable body of evidence by request.

1143. Will it be part of the work of your Department, in dealing with these accounts, to go through them with any idea of suggesting economies?—Yes; that will be one of the objects that the information will show when it is compiled. It will show possible avenues for economy and efficiency.

1144. Could you give the Commission any idea as to the lines you propose to proceed upon? May I ask, have you a model list of headings, or something of that kind, which will indicate the line of procedure you propose to take?—As to getting these costs records, do you mean?

1145. Or the form in which it is best to have them prepared?—Yes. The lines on which we propose to work the country are these, that a certain number of costings officers are on the point of being engaged. They will then be placed in various parts of the country, and will assist such farmers as are willing in the various areas to keep costing accounts. They will assist those farmers, and their duty will be to visit each farm periodically and scrutinise the entries that have been made in the interval since their last visit and to analyse those up, put them into proper shape, and so on. That will mean at very frequent intervals there will be an actual scrutiny on the part of those officers of all transactions which have taken place on any particular farm.

1146. *Mr. Robbins*: You speak in your *précis* about farming accounts you are supplying the farmers with. Do you put copies of those in?—I have not put them in. They are only in rough manuscript at present.

1147. May we have them, when it is convenient to the Committee?—Yes, I shall be very pleased to do that.

1148. You say in your *précis*: "The subjects of the Committee's investigations will therefore include the following information in respect of all types and classes of farms: costs of production, generally; profits." How do you define profits for the purpose of this investigation?—For the purpose of cost recording are you meaning?

1149. No; for the purpose of this investigation which you are conducting with the view to getting not only records of costs, but financial statements?—The profit would be the balance remaining; that is to say, the surplus of the income over the expenditure on that particular farm.

1150. You have told us already, I understand, that you are not at the moment in a position to furnish the Commission with reliable data under any of these headings mentioned?—No. We could, on request, get a certain amount of cost record evidence. We have had promises given to us to furnish them, if required.

1151. Then you say, in a note in your *précis*, under the heading of "Future Work of the Committee": "By financial accounts is meant the usual accounts of income and expenditure which issue in a yearly profit and loss account and balance sheet." Do you regard an annual valuation as essential, or do you adopt the Inland Revenue view that if there has been no material alteration in valuation there need not be a fresh one?—I think there should be a valuation each year.

1152. Upon what basis—cost or market value?—I think the basis should be a cost basis.

1153. Then under: "Financial Accounts" you have an item. You say: "In comparing financial results as shown by accounts, care must be taken that profits are arrived at on a common basis, *e.g.*, that all receipts and credits have been included in each case, and that the nature of the expenses charged against the profits is also uniform as regards," and then

you set out a number of items. Then you say: "Interest, including interest on capital." What is meant by that phrase?—It means you might, if you had two accounts put to you, in one case have interest on capital charged up as an expense, and in the other case you might not have it so charged. It is so entirely a matter of personal opinion whether it is or is not charged. You would want to make sure, in comparing those two accounts that in either case it was the same charge or omission of charge.

1154. That was not exactly my point. What other interest would there be but interest on capital in the costs?—There might be interest on loan. I meant the farmer's own capital when I said that.

1155. I follow. Then there is an item of depreciation you mentioned. Have you any suggestion to make as to what is a fair deduction for depreciation, say, for farming machinery, for example?—Only in the very roughest way that would be of no value for any particular purpose. That is part of the information that should be brought out by our investigations, the actual experience as regards the necessary depreciation.

1156–7. I paid £395 for a tractor last year and sold it by auction for £50. Should that difference be written off?

Chairman: I do not know that that is quite a question which Mr. Howell could answer.

Mr. Robbins: I do not press it.

1158. Then at the end of your *précis* you mention under "Cost Accounts" that food consumed should be reckoned in the cost account. What basis do you favour for the assessment of the value of the food consumed - at cost or market value?—You are speaking of food produced on the farms, no doubt?

1159. That is so?—That is a somewhat difficult question to answer. Strictly and in principle there is no doubt, in my mind, that it should be the cost of production; but shall I say from the point of view of the intention of the farmer in keeping his accounts that absolute point of view might not apply. I say that strictly, and on a point of principle, it should be cost of production; but there are qualifications which in given circumstances one might wish to put into that.

1160. Do you include interest on capital as a cost of production?—There again, if one may speak, I would not say in a pedantic way, but from a strict principle point of view, interest on capital is not part of the cost. It is part of the profit.

1161. Even if a farmer is trading with borrowed capital?—Yes.

1162. You would not then put it to part of the cost?—No.

1163. Would you include farmer's remuneration as manager as part of the cost?—I think not. You should strike a balance before having charged anything for the farmer's remuneration in order that you may see what balance remained both for interest on capital and for his own remuneration for work on the farm, etc.

1164. In a large holding such as Sir Daniel Hall has told us he favours, would you include the remuneration of departmental foremen?—If they were whole-time and salaried men, yes.

1165. *Mr. Parker*: You say in your evidence in chief that the statistical data will assist in the formulation of a national agricultural policy. You mean, of course, the data obtained from actual results. I think you have told us that: that you could not give any information this year, but would have to wait until after September next year for actual results?—Yes.

1166. When you have obtained the actual costs on your costs account, do you think with that evidence before you any general average of cost obtained from these statistical data will give a basis reliable enough for legislation, seeing that there are so many initial differences, for instance, in the fertility of the soil where county differs from county and district from district and farm from farm, and even field from field; and how do you propose to get over those figures?—That is a difficulty; and when this information is first got out, say, after its first year, it would not have anything like the value that it will possess when it has been compiled for a certain term of years.

1167. Then for some time to come the statistical information from the costing accounts will not be very reliable?—It will be reliable as reflecting the results of the year which may have been dealt with.

1168. Of a particular farm?—Yes. It will show you the actual results on a given farm; or again, if the farms in that district be averaged out, it will give you the average resulting cost in that particular district. You will undoubtedly get wide variations, as you say, not only from district to district, but from farm to farm within that district.

1169. Will that not make any general assumption wrong and the basis wrong, seeing that farms will differ and fields will differ? Is it not a very difficult problem?—I do not think it will necessarily make any assumption wrong. It will at any rate put those who have to make such decisions in a better position to know what are the facts than they are in at present.

1170. It will be good for the individual farmer. He will be able to draw inferences from the data; but will it be reliable as a basis for legislation? That is the point I was asking?—It will want careful consideration from that point of view; but it will give the broad general guiding statistics that will be required for that purpose, I think.

1171. There are other difficulties too. There is the difference which arises of the holdings, the cost of production on the smaller holding being certainly greater than the cost of production on the large holdings. Will that difficulty be able to be surmounted in a general average?—I am not sure but what you are asking me to answer something which is somewhat outside my province, if I may put it in that way.

1172. I am sorry; but it seems to me important?—Perhaps I am wrong in saying so; but are you not suggesting what may follow from the consideration of the statistics which the Costings Committee may get together? Our only duty is to compile these costings records.

1173. I am really trying to obtain from you information which will help us in coming to a conclusion to-day with regard to the costs of production on what evidence we may have before us, and it seems to me the initial differences are so great that it is very hard to arrive at. There are all sorts of initial differences. There is the accessibility of one farm to a station, for instance.

Mr. Ashby: Might I suggest, Sir, that Mr. Howell is here as a representative of this Committee, and he cannot bind his Committee by any statement, but as a professional accountant he might also be speaking sometimes in his personal capacity. He might speak in a dual capacity as representative of the Committee, and sometimes in his personal capacity as a man who has given some study to this matter. I think we all ought to realise there are some questions of policy, even in accounting, which will be decided and settled on the collective responsibility of his Committee, and not on Mr. Howell's opinion.

Chairman: My view is that the questions to Mr. Howell should be addressed to him as a Director of the Costings Committee, and only such information as he has in that capacity should be obtained from him. One of the questions which might not have been put to him was put some time ago, as to the difference between £50 and £350 which was given for a tractor. That is a mere matter of opinion, on which the opinion of Mr. Howell might be very useful, but would in no way be binding on the Costings Committee which he represents. Subject to what other members of the Commission might feel, I should very much like that questions addressed to Mr. Howell should be questions which he could answer solely in his capacity as Director of the Costings Committee.

Mr. Parker: I am seeking to find out what Mr. Howell's views are as to costings owing to certain difficulties I see, but I will drop that.

Witness: If I might intervene, I think the information is bound to be of service in various ways, when it is compiled, even although one may admit one would have to wait some time before its full value could be shown up. You would have material information with regard to, say, prices or wages, or the whole subject one may term as the general economics of the industry, that is to say, the most efficient size or type of farm and the most efficient capitalisation of that farm or its equipment as regards machinery and the number of labour, and as regards also the respective shares of remuneration that should go to the three great classes who are interested, the labourer, the farmer, and the landlord, if we may roughly divide them in that way. In those and other general economical bearings this information cannot fail but to be of distinct service, I should say.

1174. *Chairman*: But you are responsible only for the giving of information?—Our work ends at the getting of the information.

Chairman: That is all that you can possibly answer: as to how you get at the information, and not what use is to be made of it when it is got. Those are the only questions which it seems to me are material to be asked of the witness.

1175. *Mr. Parker*: You say in your *précis* in the note: "By financial accounts is meant the usual accounts of income and expenditure which issue in a yearly profit and loss account and balance sheet, showing the total profit or loss." In arriving at the total profit and loss the valuation is made. Should that valuation be made at the cost price and kept more or less constant with the guarantee, or should the value be written up to the market price of the day?—No; I think the valuation should be taken on a cost basis where possible.

1176. And kept as constant as possible?—Yes. If it were kept on a cost basis, it might fluctuate according as the cost went up and down. You see what I mean.

1177. The farmer's balance sheet of the last year would show a large profit, but a great deal of the profit would be shown because the value has been written up?—Yes.

1178. Would you consider that real profit?—No, it is not real profit in my view.

1179. *Mr. Nicholls*: Has your Committee any compulsory powers to require information from farmers?—No; it is quite voluntary.

1180. Have you got offers of assistance from the farmers in the matter?—Yes, a very large number have offered us assistance.

1181. Supposing your officials in a certain year considered it would be useful to your Committee to get information with regard to a certain farm or set of farms, and they were not willing to give it, you have no power really to step in to get costs under those conditions?—No.

1182. What I am thinking about is, that you would get the evidence from a good type of farmer, but it would be useful sometimes to get information from the other type, and there are no means by which you can get it if they refuse?—No, we have not compulsory powers; but so far as we can, we shall endeavour to get in touch with all types of farmers, and not only the more prosperous ones. We are fully alive to the need of making the information as representative as it is possible to be.

1183. What evidence you get is kept secret. They know that?—It is.

1184. I mean it is not used for any particular purpose?—No. Whatever purpose it is used for, it will be quite anonymous. We denote a farm by a letter or number, or some thing of that kind.

1185. And when you get the information, who is it you report the information to which you get?—We are supposed to make a periodical report to the Minister of Agriculture.

1186. Any other department?—No.

1187. *Mr. Lennard*: In answer to Mr. Walker, you said that the full information with regard to the accounts you were collecting would not be available until Michaelmas year? I said as regards certain farm products, they will not be.

1188. Yes, I think it was with regard to cereals In the course of your negotiations with farmers, have you been able to obtain any information from accounts they have been in the habit of keeping which would give us data in regard to last year or this year?—I am now in process of asking a certain number of farmers we are in touch with for that particular information for the purposes of this Commission.

1189. How soon do you think we might expect to have that body of evidence?—I am speaking now of the request which was made by the Sub-Committee last week to the Costings Committee to get together what information they could. That I will do my best to get together in, say, three weeks.

1190. Apart from actual accounts, would the information possessed by the Costings Committee make it possible to construct ideal balance sheets of farms of the most economical size?—When a sufficient amount of information has been put together, yes.

1191. Within the next few weeks, or only when the results of next year's inquiries are available?—I would like to be a little more clear as to what you mean by an ideal balance sheet.

1192. I mean taking not the accounts of any particular farm, but taking such information as you have evidence of, of the cost of labour, the cost of fertilizers, and all the other requirements of the farmer, and then considering how that would plan out for a farm of a given size and a given quality of land?—Yes; I think to a certain extent that will be able to be done by the information I am now endeavouring to get together.

1193. *Mr. Langford*: Mr. Lennard has asked you about an ideal balance sheet. I take it one of the objects of your Committee would be to ascertain the cost of growing particular crops in the various districts?—Yes.

1194. And by so doing it may be found that in some particular district a farmer is trying to grow a crop which to him can never be a profitable crop?—Yes.

1195. And in that case, I take it, your Committee would advise him to grow something which was more profitable to him?—Yes.

1196. Is it your opinion that some farmers in various parts of England are perpetually trying to grow crops which their land is not suitable for?—Yes, I think that is quite probable.

1197. I would like to ask you this question: Is your Committee responsible for taking costs throughout the United Kingdom or does it merely apply to England?—Yes; our Committee is supposed to cover the whole of the United Kingdom, owing to the necessity of the information being compiled on uniform lines and presented in a common way.

1198. The question has already been asked you as to whether you have compulsory powers; but whilst you have not compulsory powers, you believe that the farmers, generally speaking, will co-operate with you with regard to rendering every assistance for costs to be taken on their particular farms?—I can only judge from the evidence we have already, which is very considerable; and by that I think they will co-operate.

1199. I see from your *précis* that you have already had a conference with no less than 22 farmers' organisations?—Yes.

1200. Have you found in conference that they have been willing or otherwise to render assistance?—Quite willing in every way so far.

1201. As a matter of fact, the basis of levying Income Tax is compelling farmers to have recourse to keeping accounts?—Yes, that is so.

1202. And they welcome the assistance of yourself and your Committee?—For that, amongst other reasons, yes.

1203. *Mr. Prosser Jones*: You have told members of the Committee that farmers throughout the country are willing and agreeable to give any information and help they can to this Committee. Does that apply to Wales and Scotland quite as much as to England?—Comparatively speaking, yes. I mean, compared with the number of accounts that may be kept in Wales, for example, the response has been quite as good.

1204. In dealing with arable land and grass land, which of the two methods of farming would you say was the easier to compile an account of?—It would be easier to compile accounts of the pasture, I should say.

1205. Does your Board propose to make out an annual costing sheet, or is it a two to three years' costing sheet?—Annual.

1206. Would that be fair, in your opinion?—It would be fair, I think; but its full significance would not be shown until the full result of the rotation had been brought out.

1207. Do you agree with me that your Committee has been set up too late, or that this Commission is sitting too early?

Chairman: I do not think that is a proper question.

Mr. Prosser Jones: I am only asking his opinion.

Chairman: He could not give his opinion on that subject; at least if he gave it it would be of no use.

1208. *Mr. Thomas Henderson*: How many costings officers are you proposing to appoint?—Twenty-six assistants and four chief costings officers.

1209. Is that for the whole of the United Kingdom?—Yes.

1210. Can you tell us what the cost of your Committee will be when it is in full operation?—No. I do not think I am in a position to state that.

1211. You are not at such a point as would enable you to say yet?—No.

1212. You say in your *précis* under sub-paragraph (2) "Permanent": "To obtain such permanent information as to the costs and results of farming as is required by the Departments of Agriculture and the Agricultural Wages Board." I am not quite clear as to what kinds of information you refer to there. What information would be in the possession of your Committee which would be helpful to the Agricultural Wages Board?—I do not know that I am much clearer than yourself on that particular point.

Chairman: He has already said he has only to get the facts, and those to whom he has to give the facts will make as much use of them as they think desirable. I do not think he can tell you whether the Agricultural Wages Board will or will not use th facts.

1213. *Mr. Thomas Henderson*: Surely, with deference, when you are going out looking for facts, which are going to be required by another Committee altogether, it is as well to have some notion of what sort of facts you are out looking for?—I take it we shall have, when we have been required, as our charter says, to get specific information for the Agricultural Wages Board.

1214. You have not been so required yet?—Not far.

1215. Then you say later on in your *précis*: "The farms will be denoted in the Committee's records by a letter or a number, and the information obtained will not be used in any way for taxation purposes." Do the farmers, in your opinion, consider that a sufficient guarantee?—In the great majority of cases, yes; not all.

1216. Suppose your returns, when they are completed, show that the industry, comparatively speaking, is profitable, they are not afraid that this large mass of anonymous information might be used to justify an increase in taxation. Is that a view which has been put to you at all?—Yes, we have had that put to us.

1217. But in the majority of cases they think it is groundless?—Yes.

1218. *Mr. Green*: With regard to getting the costings of any crop, do you not think the size of the field is really more important than the size of the holding?—It is an important factor, certainly.

1219. Will you be able to get any costings data of any practical use to us in time to be issued in a report by the 30th September?—Detailed costings data I cannot get much of. A certain amount I will try to get; but the information I shall be able to get is more of a general financial nature, showing the result of the working of the farm as a whole.

1220. Who are these costings officers; what class are they drawn from; are they land agents, or what?—Land agents are a numerous class in the applicants. They must be men primarily with a knowledge of agriculture, and also, if possible, men with a knowledge of accounting.

1221. In growing a crop which obviously would not pay, would your costings officers place that amongst your data which will be presented in your general averages, or would you exclude such a crop?—No. If that is part of the normal working of the farm, it would come in with the other figures.

1222. *Mr. Edwards*: Do you recognise the fundamental difference between the agricultural industry as compared with other industries arising out of causes beyond the control of the operator or farmer?—Yes; there are very important differences.

1223. Therefore, in your opinion, perfectly correct accounts for the year, or even two or three years, would practically be of no value as far as any permanent legislation for the industry is concerned?—I agree when you say one year; but for longer periods the records would acquire cumulative value.

1224. Has your Committee discussed the principle of the valuation of feeding stuffs, for instance, in the cost of milk production? I ask that question because I find a tendency to divide up the work of the farmer into certain more or less watertight compartments—milk production, corn growing, potato growing, and so forth. Then you work the costings of these various crops independently, as it were. I want to know whether in the case of milk production, for instance, you have taken any principle on which you intend to value feeding stuffs in the cost of milk production?—As regards milk they have not definitely decided on this point, I think mainly because at this present time, when they were thinking of the costing of milk there were no costs in existence to base such a price on, even if they wished to do so.

1225. *Mr. Dallas*: Your Committee was set up last year, and we are now in the month of August. Is it not rather a long time to elapse without having some definite data from farmers who have even kept acounts in days gone by?—Apparently it does seem a long time; but although it is true, as I said to Mr. Walker, that we have not actually in the office specific data, there is a considerable body of data we can get for the asking, and which we are in process of asking for.

1226. Can we have that?

1227. *Chairman*: I had a question down, which I may as well ask now. You said that you could give in three weeks such data as you possess, or such information as you may obtain from certain farmers whom you could approach. Could you make it less than three weeks?—No, I am afraid not.

1228. May I say then about the first week in September?—Yes, about the end of the first week.

1229. Could you make it a little before the end of the first week in September, so that I could circulate it amongst the gentlemen on the Commission, and they would have the opportunity of considering it during the week, because we are not going to sit from the 8th to the 15th September?—Yes, I would do my utmost physically to get it by the end of August, but I am not certain whether it could be done. I want to make the position clear to you now you have mentioned it. Your Sub-Committee has requested the Costings Committee to get in touch with

farmers whom we know of and ask them to submit particulars of their accounts. Now these farmers whom we are in touch with have promised to give the Costings Committee as such the result of their records. We now are going to ask them, if they will, to give this information to the Royal Commission. I explained to the Sub-Committee that it does not necessarily follow they will be willing to give information to the Royal Commission rather than to the Costings Committee as such: so that I would not like to guarantee at all as to the results of this appeal which the Costings Committee is making to the farmers.

1230. If you could kindly do that and get leave to submit these accounts under a letter or a number stating the acreage of the land, so as to give us an idea of the size of the farm, the district, or county, in which it is situated, and such other information of that sort which would enable us to place as much reliance and as much weight on the information as it is entitled to, without disclosing the name of the individual who supplies it, it might help if you were to assure the gentlemen who supply that information that it would be as secret as regards names with this Commission as it would be with the Costings Committee. I am not sure that it would not be more secret with this Commission than with the Costings Committee; but I will not express an opinion on that subject. If you can kindly let us have it by the end of August I shall be very much obliged?—I will do my utmost.

Mr. Dallas: This Committee was set up by the Ministry of Food, and I think was set up as an impartial Committee not representing any particular interest.

Chairman: No; it was set up by the Board of Agriculture for England and Wales, the Board of Agriculture for Scotland, the Department of Agriculture for Technical Instruction for Ireland, and the Ministry of Food. All these organisations joined in the setting up of this Costings Department.

Mr. Dallas: Therefore it was set up in the interests of the community, and not in the interests of any particular agricultural interest.

1231. Is it not rather curious that one interest in agriculture, the farming interest, the employers' interest, is very largely represented on this Committee? It is essentially our status that we are an impartial body. If we are not that, we are nothing.

1232. I am not objecting to the names of the gentlemen, because I know some of them.

Chairman: If you are suggesting any change, it is not for Mr. Howell.

Mr. Dallas: I am not suggesting any change; but I want to show the Committee is not quite so impartial as I think it should be, or might have intended to be.

Chairman: If you make a statement of that sort it will be taken down, but it will not be a question to the Witness. Your statement is that the Costings Committee is not properly representative?

Mr Dallas: My suggestion is this, that the Costings Committee should either represent no direct interest in agriculture, or it should represent fairly all the interests in agriculture.

Chairman: The names are before you, no doubt; but Mr. Walker is there representing labour.

Mr. Walker: As a member of the Parliamentary Committee of the Trades Union Congress, I was appointed a member of the Consumers' Council; and as representing the Consumers' Council I am on the Costings Committee.

Chairman: We will take a note of what you say.

Witness: Might I make a comment at that point?

Chairman: I think not.

1233. *Mr. Dallas*: You state in your *précis* that you recently had a conference with a large number of bodies. There was a feeling, which is not embodied in the resolution mentioned here, that the accounts should go to the agricultural colleges rather than to the Agricultural Committees. Would you explain to me why some of the officials of your Department, were very keen that they should go to the Agricultural Committees, which are almost entirely composed of employers, rather than to the agricultural colleges?—First, I cannot agree with your statement. At the conference you mention there was a certain amount of discussion; but it centred round, not the point whether the accounts when obtained should go to the agricultural colleges or to the County Executive Committees—not round that point at all. The discussion centred round the point as to whether the country officers of this Committee should be stationed for office accommodation purposes either with colleges or County Committees. In either case it would not happen that the accounts went to either of those bodies, because they would not. They would come direct to the head office of the Committee in London.

1234. *Mr. Ashby*: It is true, is it not, that four members of this Commission are also members of the Costings Committee?—Yes, that is so.

1235. Is the responsibility for the work of the Committee collective responsibility?—Yes.

1236. So that any success or failure is due to the collective work of the Committee as a whole?—Yes, that is so.

1237. With regard to the duties of the Committee, they were entirely predetermined by the Departments which agreed together to set up the Committee?—Yes.

1238. And the Committee itself is in no way responsible for the directions as to duties?—No, that is so.

1239. In your evidence-in-chief you state that the information that you may obtain may be of value from the point of view of the national policy and from the point of view of private financial policy of each individual farmer. Is it true that in the future you expect your work to be of rather more importance as regards the financial policy of the individual farmer than as regards public policy?—Yes, that is so.

1240. Do you agree that some method of obtaining detailed statistics is absolutely essential at the moment and for the future?—It is undoubtedly, I think.

1241. Do you also agree that the method of costing is the only method of obtaining those statistics?—Yes.

1242. So that it is essential for the future well being of the industry that work of this character should be done by somebody?—Yes.

1243. And that it could only be done efficiently by some public authority?—Some body quite impartial in its aim and standing.

1244. Have you made any study of the estimates of costing and the results of costing conducted by public bodies in other countries, as, for instance, in the United States?—I have to some extent; I have read a good many of their publications.

1245. Is it within your knowledge that a good deal of the food control work, that has recently been done in the United States, has been done much more efficiently than that in this country, simply because they have pursued a policy of obtaining financial records of farms for some years?—I was not aware of that.

1246. Turning to a question asked by Mr. Langford, I understood you to say that if in the course of work you found results to the effect that farmers were growing unprofitable crops, your Committee would advise them not to grow them. Is not it true that the duty of advising farmers would rest with the Board of Agriculture and not with the Committee?—I think that may be so. I do not know that there has been a limit set in that particular direction to the work of the Committee. It might naturally follow on as a necessary result of such work as the Committee did.

1247. But does not it follow, from the statement I understood you to make, that the application of

the results would rest not with the Committee but with the Board of Agriculture, to whom the Committee has to report?—That is so.

1248. And that, in using the results for any particular purpose of advising farmers, the Board of Agriculture might be influenced not only by the position of the individual farmer, but to some extent by national policy?—Yes.

1249. There is also a question I should like to put to you raised by Mr. Parker as to the application of the costings results to the fixing of prices. Mr. Parker, I understood, used the word "average." How would you use average costs so that you would avoid using them to the detriment of individual farmers? Is not it true that you cannot fix prices on average costs, and that you have never fixed prices on average costs?—Yes, I think so.

Chairman: Mr. Howell does not fix prices. Various questions have gone outside the scheme of what Mr. Howell can answer.

1250. *Mr. Batchelor*: Although this Costings Committee came into being at the end of last year, it is the case, I think, that you were not appointed Director until April of this year?—That is so.

1251. I think it is also the case that there was considerable delay in obtaining Treasury sanction in regard to the costings officers who are now to be appointed?—Yes.

1252. And if not the principal, that is one of the reasons for the position being so far back?—Yes, that is one of them.

1253. *Mr. Overman*: Will you be prepared to look into farm accounts and balance sheets of farmers who are only prepared to show you these accounts without keeping what we understand to be separate costing accounts as affecting each operation?—Yes.

1254. You told Mr. Robbins that home-grown farm produce should be charged at the cost of production. Surely articles such as oats and hay, for which substitutes might be bought, should be charged at market prices?—For the particular purpose of getting at the cost of production of a product, I think not. Otherwise you are not getting at the cost to that farmer of that product.

1255. I will put it in another way. A farmer grows 20 acres of oats, which he could sell if he chose at market price, and he could buy in pre-war days maize or some other foreign commodity which would be a substitute. Why should you penalise that from any profit in farm accounts?—No; I think such a farmer should not be penalised as regards any profit, and I think, although for the particular purpose of getting at his costs you take those home-grown foods at the cost price, yet eventually such a farmer is bound to get some return for his trouble and capital involved in growing those foods. I do not know whether I have made my meaning clear.

1256. I am thinking particularly of oats, because they are fed to the farm horse. Will that farm horse show profit for having consumed those oats?—No, for the home-consumed oats it will not.

1257. As regards the ordinary yearly valuation, I only ask this for your advice for the guidance of myself and other farmers in taking valuations. The valuer who takes my valuation every year is a very well known man, Mr. Robert Simpson. When he came to take my valuation last Michaelmas he asked me: "On what lines do you want your valuation taken?" I told him I wanted everything valued at market prices; and he will value again this year and I shall tell him the same thing. Are those the lines that you persuade farmers to have their valuations made on?—Personally, no. I think a preferable basis is cost of production, particularly, shall I say, under present circumstances, where, say, for Income Tax purposes you may be paying your Income Tax on a profit that is only a market movement for that particular year; or, if you have a profit sharing scheme, you may be sharing out your profits that are not real, but only the result of a market movement.

1258. Then you would have a valuation practically standing on a steady level?—Yes.

1259. *Chairman*: You mean costs, do not you, and not at market price?—Yes, at cost. I freely admit that in practice there are many difficulties in this question.

Mr. Overman: I was going to put a question to the Witness that the Committee is on the basis of impartiality, although I agree with Mr. Dallas it does not look like it; but I must put in a protest that Mr. Dallas' statement is not correct when he says that the farmer has a balance in his favour on that Committee.

Mr. Dallas: I would like it to be clear on that point that I mean employers in agriculture, not necessarily tenant farmers.

Chairman: The statement Mr. Dallas made was, that the employers in agriculture were overweighted on the Costings Committee. Mr. Overman says that is not so.

1260. *Mr. Rea*: You say you think the proper basis for valuation is costs of production. How about the entering tenant who enters upon a farm and has to buy his stock and other things at market price?—In that case the price he has to pay for his ingoing would become to him the cost price that he should adopt for future valuations.

1261. Then he would really have to stick to market price?—Yes.

1262. And with any fluctuations of market price from year to year he would alter his figures to meet the time's prices, I suppose?—I think not. Having started at his ingoing valuation at certain figures, he should adopt those same figures for succeeding valuations irrespective of market movements in the meanwhile.

1263. But suppose those fall 50 per cent. in stock, say, his valuation would not show his actual position. It would show an unduly inflated position.

Chairman: That is a very, very difficult proposition, and one so clearly of accounting, and accounting only. I do not know that Mr. Howell can quite answer what the Costings Committee would do; but as an accountant, supposing a man came into a farm at market value, at the end of the next year that would figure as part of the charge to the profit and loss account, but I do not think Mr. Howell could tell how the Costings Committee would deal with a particular item. He can tell you on general lines. I imagine that a particular question as to a particular farmer would have to be dealt with according to the circumstances of that particular individual.

Mr. Rea: It is a question on which a great many farmers have difficulty; but your explanation, Sir, clears it up.

1264. In view of the uncertain climatic conditions and the interdependence of one crop on another, do you think it is possible to arrive at any reliable cost of production as regards any particular crop?—Yes, I do; but I say such figures would have a growing value, as it went on over the time they had been kept.

1265. For how many years do you think it would be necessary to see these accounts before you could get a reliable estimate as to the costs?—They would not have obtained their full value until the rotation had elapsed, I think.

1266. One particular crop may arise only once in a rotation, and that particular farmer has put the same amount of labour and the same amount of manures into the crop which is not there, yet in the next rotation he might have a good crop?—Yes, that is so.

1267. So that how would you arrive at the cost in that case?—The cost of that crop would be the cost under those particular climatic conditions.

1268. You would treat each rotation as an individual unit?—Yes; although with due care being given to apportionments, the result of each year can be made of quite serviceable value without waiting until the rotation has expired.

1269. *Dr. Douglas*: Without labouring the matter, I want to go again into the question of the method of valuing tools consumed on a holding for the purpose of producing something else. You take the view which is common to all accounting in business, that the cost of production is the proper basis of valuation?—Yes.

1270. But I think you recognise for certain purposes a producer must investigate the actual costs of a particular Department of his production in a different way?—Yes.

1271. That is, if a man is to arrive at a decision, for example, whether he is going to continue to be a milk producer, he must calculate the cost of his milk production by taking into account at what he could sell the farm produce which he is going to use in milk production?—It would be easier to ascertain that fact if he had adopted the market value basis.

1272. That is to say, what you would consider in deciding to undertake this class of production would be, whether it would pay him better to use his home produced materials in milk production or to sell them if they were saleable. That would be his alternative?—Yes.

1273. If the State is setting up prices for the purpose of guiding production into certain channels, that would exactly correspond to the individual's calculation?—Yes.

1274. And therefore, so far as that particular matter goes for that purpose, that would be the way in which the State would assess those home-produced foods which were to be used in that new class of production. You said it would be strictly on the same lines?—Yes.

1275. You have got a certain number of existing cost accounts as distinct from the accounts for Income Tax purposes, have not you?—Yes, a few.

1276. You would regard it, would not you, as necessary to the best system of management that farmers in some way should keep costings accounts?—Yes, I do.

1277. You would regard it as part of good management?—Yes.

1278. Therefore it is not unreasonable to suppose that the farmer, who managed well in that respect, would be a good farmer generally?—No, it is not unreasonable.

1279. Therefore probably in getting existing costings accounts, you are getting the costings accounts of the best farmers rather than the average?—Yes, that is so.

1280. And you are getting none of the worst, I presume?—No.

1281. Therefore they would not present you with any basis on which you could calculate average or maximum costs of production. They would give you the minimum costs of production only, would not they?—Yes, these existing accounts would. They are too few altogether to build any generalisation on.

1282. With regard to the farmers with small holdings, I do not mean in any technical or legal sense, but say farms of 50 or 100 acres, do you have costings accounts from any of those?—No, not so far.

1283. It would be rather difficult, would it not, to get full costings accounts of these where the labour is family labour and there is no fixed payment of wages?—Yes, it would be difficult.

1284. You would regard this as rather lying outside your investigation, would not you?—Not necessarily.

1285. I mean to say, you would find it very difficult to get anything to investigate?—It would be difficult to get the costs; but it would be very easy to get the ordinary financial account from that class of farmer. It would be easy to get that information.

1286. But very difficult to get real costings?—Yes.

1287. Costs of production vary enormously, of course, do not they?—They do in most industries.

1288. You have the two varying factors in agriculture—the different productiveness of different districts and the different costs of the working of different districts?—Yes.

1289. Not necessarily corresponding?—No.

1290. Then you have great varieties of seasons?—Yes.

1291. So that taking into account the whole of the profit and loss and the great variations, there would be a very large margin of error in calculating costs, would not there?—I do not know about a very large margin; there would be a margin of error. I should say certainly a larger margin than in other industries generally. But we must remember that other industries also have their difficulties as regards costings; and that while agriculture has a good many of these difficulties specially emphasised, yet the difficulties of getting exact costs do not apply solely to agriculture.

1292. But is it not the case that these difficulties in agriculture are additional to the difficulties which beset other industries in accounting?—In one or two points, yes; in other points, no.

1293. But there are certain difficulties which are special to agriculture in addition to those which are common to other industries?—As regards yield and weather I should say yes. But take your out-of-door contractor or public works contractor. He also is largely at the mercy of the weather in getting out his work, especially in the winter. He gets his work held up without end sometimes. So that I say whereas agriculture is affected by the weather other industries are also affected, but generally speaking to a lesser extent than agriculture.

1294. But as regards the contractor to which you have referred, in working out his costs it is calculating on a definitely ascertained set of physical conditions, soil, and so on, whereas in agriculture Nature varies these conditions for you, and the costings officer, whoever he may be, has himself to make allowance for a great variety of conditions?—But the contractor cannot cost as regards future weather during the course of his contract.

1295. I do not mean weather?—But that is an important matter. Take a long contract which takes three or four years to fulfil, an immense factor in that is the weather.

1296. But there are other things which are additional to that in the case of agriculture which cannot be taken into account in advance?—That is so. On the other hand, there are special conditions pertaining to other industries that do not appertain to agriculture.

1297. Such as?—Such as the incidence of, shall I say, overhead expenses. With a big industrial concern with a lot of plant and departments and one thing and another, the question of the allocations over the respective jobs which may be in hand at any time, of these overhead expenses is a very difficult matter indeed, and is very frequently the biggest of the items in the cost.

Chairman: Is it at all important that we should discuss what relates to the other industries?

1298. *Dr. Douglas*: I did not raise the point, but I did not wish to interrupt the Witness?—I was merely trying to bring out that whereas there are difficulties in agriculture there are also difficulties in other industries.

1299. But if, as you have said, there is a large margin of error, that means you will require a very large number of instances in order to eliminate it?—Yes.

1300. So that it really is a very large investigation to get at anything reliable and stable in the way of costings?—It has been done on a very large scale as regards number in the United States for many years past.

1301. And you think that is necessary—to have a large number of cases over a number of years in order really to get trustworthy results?—I was going to say that they have evolved means of conducting a

large number of investigations with comparatively little trouble, and I have no doubt we shall arrive at the same point here in due course.

1302. But you agree that a very large number of instances is required. That was the only point I was asking?—Yes.

1303. In determining the cost of any crop there is a very large element of valuation, is there not; that is, the valuation of the result of preceding crops and the effect of operations upon succeeding crops?—There is an element of valuation, yes.

1304. And that will vary in different climates and soils, will not it?—Yes, it will.

1305. With regard to so-called unprofitable crops, is not it often the case that the cost of such a crop should rather be regarded as appertaining to the production of other crops?—Yes, that is so.

1306. It is not necessarily unprofitable from the point of view of management as a whole; but it should be made a charge against other crops?—To be clear, may I ask if you are referring to a root crop—a turnip crop, as a example.

1307. In some cases, or the use of clover, and so on?—In such a case you would endeavour as far as possible to apportion the cost over the crops that would obtain the advantage of those costs.

1308. The advantage of the manurial and cultural residues?—Yes.

1309. There might also be a crop which from a strictly financial point of view would be unprofitable, but which would be necessary or very desirable in view of other conditions of farming?—Yes.

1310. The production, say, of certain classes of root crops unsuitable for the locality, but necessary for certain times of the year?—Yes.

1311. All that would simply be a matter of book-keeping and spreading it over the different crops or departments to which it related?—That is so.

1312. There is one other point, a small one, but it has been referred to more than once, and that is the remuneration of the farmer. If you allow nothing for the farmer's work in overseeing his work, does not that create a certain inequality of calculation between the man who oversees all his work directly, and the man who either from farming on a different scale or for other reasons employs paid management for that purpose?—Yes.

1313. Should there not be something to equalise the basis in the two instances?—It depends what particular purpose you have in mind.

1314. I mean to get at the cost of production?—No; in getting at the cost of production I do not think you should attempt to equalise. You ascertain the facts in both cases.

1315. Yes; but the fact is that Farmer A devotes his whole time to looking after his whole farm, whereas Farmer B, either for his whole farm or part of his farm, or for a separate farm, employs a paid manager who does nothing else than that. If you allow nothing for Farmer A's supervision of the land which he occupies, are not you concealing an integral fact or failing to give effect to it?—No, I do not quite see that.

1316. I do not want to argue the point at all?—I am not attempting to argue it.

1317. I put it to you there is an inequality in the two conditions?—There is inequality in the result of the balance of income over expenditure in those two farms; but I do not see that there is inequality in regard to the costings of those two farms. One costs more to work than the other, and the owner of that farm, say, with a bailiff, expects to get less as a net result from the farm than the other man.

1318. You would not regard his own services as something that you ought to put down in a separate account?—No, not in order to get at costs.

Mr. Lennard: Before Mr. Howell goes, might I, on a point of order, raise the question whether the Costings Committee has any of these American publications which would be of service to the Commission? It seems to me that information about changes in the costs of production during recent years in the United States would be a very valuable supplement to our information.

1319. *Chairman*: Have you such information from the States, Mr. Howell?—We have some of these publications. Mr. Ashby, I believe, knows of the existence of others.

1320. If you have got it, would you be so kind as to send it here and let us see the papers which Mr. Lennard desires to have. If you do not have it, would the Board of Agriculture have it?—Yes, they would probably have others; or if they have not I would suggest your wiring to the States to get what you want.

1321. Have you got what you want by wiring?—No, we wrote, but we have not nearly all that they have published on this subject yet.

Chairman: We are much obliged to you, Mr. Howell.

(*The Witness withdrew.*)

The Hon. EDWARD STRUTT, C.H., Called and Examined.

1322. *Chairman*: You have been kind enough to give us a *précis* of your evidence?—Yes.

1323. *Chairman*: Would you allow me to put that in without reading it?—Certainly.

The following *précis* of evidence was handed in by the Witness:—

1324. (1) I understand that the Royal Commission wishes to be informed as far as possible of the cost of the production of crops on Agricultural Land, and what the position of the occupier at the present moment and in the near future is likely to be compared with what it was in pre-war times, especially in respect of the expenses of cultivation of arable land.

1325. (2) We may assume that it is the wish of the country that the land of England should be cultivated in the best possible manner, whether it is arable or grass, and that the gross produce should be considerably larger than it was before the war.

It is hoped that the larger part of the grass land, which has been ploughed up during the war, should, if possible, remain in arable cultivation and that perhaps as time goes on some land which is especially suitable may yet further be converted from grass to arable.

There is little doubt that during the hustle of the war, a proportion of the grass land ploughed up was unsuitable for the purpose, and only the urgent necessities of growing corn at all costs would have justified the breaking up. This would probably in many cases revert again to grass, and it is wise that it should do so.

There is, however, a danger that owing to the increased cost of production and the fear that prices will not be sufficient to pay this cost a great deal of land which is quite suitable as arable will be laid down again to grass. There is no doubt a widespread fear among farmers that herein lies their salvation, and they are justified in this by the high price which grass land fetches in the market compared with arable, unless the latter is of very first-rate quality.

1326. (3) It is hoped that this Commission may see their way to make recommendations which would give the farmers confidence in the future and enable them to continue arable cultivation with prospects of a reasonable return on their capital and a reward for the time and energy they are putting into their business. Farming, especially arable farming, is a risky business, and it is important that the rate of interest should be sufficient to attract capital.

1327. (4) The situation at the moment has been complicated by our having had one of the worst autumns and springs ever known, at any rate in the South of England, for arable cultivation. The land, owing to pressure of cropping and shortness of labour, has got into a very bad state of cultivation, and there will be a large outlay to be made by nearly every farmer to bring his land back into the state in which it was in 1914.

1328. (5) In many districts also there is a great want of cottages which it is an economic impossibility for any private person to build at the present time, and in many cases also a considerable scarcity of good farm buildings, suitable for high cultivation. This is probably more prevalent in the South and East of England than in the North.

1329. (6) I have thought carefully over the best way of putting some figures before you, and realise that the expenditure of the last year or two is no guide to that of the present time and the immediate future. I have therefore come to the conclusion that it will be best to show you the average expenses on certain farms and groups of farms for the years 1912, 1913 and 1914. The increase in cost at the present moment, in which we see a tendency to rise rather than to fall, under different headings will show the Commission the probable cost for the farming year 1919-20.

Taking the group of farms marked No. 1 which I am putting forward are under one owner. There are 3,550 working acres, mostly fair mixed land, about two-sevenths grass and five-sevenths arable. A large herd of cows are kept.

The cost of every item of expenditure has gone up, some very largely and others only to a small extent. The first item is rent, interest on buildings, tithe, and land tax. In the Eastern Counties, where the tithe is high, it will be increased by 2s. per acre since the war. The cost of landowner's repairs is at least doubled, and in fact, at the moment, is more than this, so that another 2s. should be added. So as to put the landowner in the same position as in a pre-war period on a rent of £1 an acre, 20 per cent. should be added to it. Rates have increased slightly, with a probable further increase of, say, 10 to 20 per cent.

		Per cent.
The cost of	Seed ... ... increase, say	150
,,	Manures ... ... ,,	100
,,	Labour ... ... ,,	184*
,,	Threshing ... ,,	150
,,	Steam Cultivation ... ... ,,	100
,,	Fuel ... ... ,,	100
,,	Horse Fodder ... ,,	100
,,	Implements ... ,,	120
,,	Sundries ... ,,	100

*See Table No. 1, Appendix III.

As regards wages, I am putting in a statement (marked No. 1 A) showing the cost of labour for seven weeks from the beginning of June for the years 1913, 1914, 1915, 1916, 1917, 1918 and 1919. The members of the Commission will see that the average increase in this case is 174·8 per cent, which, however, does not fully represent the increase of 1919 or, perhaps, some of 1918. During these years there have been three tractors employed and two hauling engines which are not worked from the farm directly, but the farms are charged so much an acre for the land ploughed, or so much per ton for the material hauled, and the hand labour employed on working these implements must be added to the 1919 cost of hand labour.

So far as one can see, this will be an increase of some £15 to £20 per week. Taking it at £15, it will make an additional £105 on the total cost of labour for the seven weeks. This would add 9 per cent., making a total of 184 per cent.

This, you will observe, is higher than the nominal increase in wages paid to the agricultural labourer. On these farms in pre-war years the minimum wage was 15s. This now, in Essex, is 38s. 6d., which is an increase of slightly over 156 per cent. The increased cost must be owing to the shortening of the hours and the payment of overtime, especially for cowmen and horsemen. This will be further increased by the shortening of hours on the 1st November next and through the summer of 1920 as at present arranged.

1330-40 (7) On the other statement marked No. 2 A, Farm A is a light land farm, highly cultivated, of about 1,400 acres, on which 160 cows are kept and a flock of 500 sheep.

B Farm (No. 2 B) is a rather heavy land farm in North Essex of not very first-rate quality, with an area of about 350 acres.

C Farm (No. 2 C) is a useful mixed farm of about 600 acres with not more than 20 per cent. of grass. No cows are kept, but there is a good deal of other stock.

The other expenses, apart from labour, would be the same as on the other group of farms, and a statement is put in showing the wages (marked No. 2 D). The increase in this case you will see is not so large, amounting to 158 per cent.

It will be seen from these figures that, apart from the interest on capital, the increase in expenses without taking feeding stuffs into account averages in one case 126 per cent. and in the other 116 per cent. This is on the assumption there is no further increase in expenses of any sort—manures, implements, or wages. Owing to the drought of this summer, the cost of feeding animals will be very severe this winter, which must add, of course, to the cost of production.

You will observe in No. 1 statement that manure is 9 per cent. of the expenses in the three years previous to the war, and 8 per cent. at present for 1919.

Rent, interest on buildings, tithe and land tax were 16 per cent. in the first period and 8½ per cent. at the present time.

Labour was 42 per cent. in the first period and 53 per cent. in the second period, and this bears, of course, a very large proportion of the cost of working the farm.

It would seem from these figures that without any increase of expenses at all it would not be easy for the average land to remain under cultivation, unless the present prices are maintained, though there may be some methods of cheapening cultivation which have not yet been put into general practice. Many think that better education, more scientific farming, more use of artificial manures, more efficient organisation and account keeping, better railway transit, better organisation for buying and selling, and abolition of the middleman's profits might considerably lessen the cost. These no doubt will do something, but unless the expenses fall it will be very difficult to carry on, except on the better class arable lands ,which are and will probably be always well cultivated.

I fear that the poor, heavy three-horse lands are already doomed to either grass or perhaps lucerne where dry enough.

1341. (8) I am also putting forward a statement (No. 3) showing cost of wheat for 1918 taken from a tillage book which is kept on two of the farms with which I am connected. In reference to these figures the cost of manual labour in the operations of each field has been charged wherever possible, but the item of 9s. per acre is charged against each field for sundry expenses, such as fencing and odd jobs which it is impossible to charge to the account of any definite field or crop. This charge has been calculated to meet the average expenditure of this character.

As regards horse labour, the total cost of keep and expenditure incidental to maintaining a pair of horses and the implements used by them has been calculated, and a daily charge has been made for the use of the horses according to the time of the year. The scale varies from 8s. per day in the busiest time to 4s. per day, when there is less stress of work.

With regard to the crops, farmyard manure is charged against the crop to which it has been applied; the unexhausted manurial value is carried over to succeeding crops.

The Commission will observe that the total cost for growing wheat amounts to £14 11s. 9d. for 1918, including superintendence and interest on capital, but allowing nothing for profit. The cost for 1919 would naturally be larger, but the crop is lighter and so harvest expenses will be considerably less, and therefore it may not come to very much more money. It has to be remembered that the capital now employed in agriculture is from £15 to £20 an acre, whereas it used to be from £7 to £10, and so a considerably larger return per acre is necessary to make it worth while for anyone to invest in farming.

1342. (9) I am putting forward a comparison between a mixed arable and grass farm and one entirely grass (No. 4), stating the expenses for the average three years, 1912, 1913, and 1914. The grass farm is on the marshes adjoining the sea, and is entirely unsuitable for cultivation. It will be observed that the labour on this grass farm is £86 a year when there was one man kept all the year round, and a little hay made for winter use. If this were increased by 150 per cent. the additional cost on the 500 acres would be £129, which would represent on the 500 acres 5s. 2d. per acre. The same rise on the mixed farm would amount to £1,995, or a rise of £4 4s. 0d. per acre.

There is also of course an increase on seeds, manures, expenses of horses, implements besides this on the mixed farm which does not apply to the grass farm. Is there not a danger that the farmer will wish to lessen his risks, and perhaps increase his profits, by putting his farm under grass?

1343. (10) Under the Corn Production Act the minimum price guaranteed for wheat is 45s. for 1920 and the two succeeding years; and oats, 24s. Though of course the minimum price is not the maximum, it is quite evident that this price will not be sufficient, and if the desired result it to be obtained, and confidence given, this will have to be considerably raised and the period lengthened.

Personally, I have been a strong supporter of the Corn Production Act giving a guaranteed minimum price and a minimum wage for the agricultural labourer. Among those who originally supported this proposal, the suggestion was that the Wages Board should simply fix the minimum wage and should not attempt to fix the standard wage for men employed in the industry. If this were done a good deal of difficulty might be avoided, and the less efficient agricultural labourer would not be in danger of being out of employment during the slack months of the year.

1344. (11) It is generally desired by those who consider the health of the community that there should be a large increase in the supply of milk. This at present will be very difficult to provide, as farmers are nervous if they increase the number of cows, one day there may come a slump in the price of milk and the value of cows, then there will be a large loss of capital. Milk is also a very troublesome business and is a constant worry. Many who have thought over this matter are of opinion that the only way of maintaining such milk supplies as are required will be by guaranteeing the price of cheese. There was an article in the "Times" by their agricultural correspondent recommending this course some months ago, and probably this, combined with the increased guarantee under the Corn Production Act, would do more to keep the land well cultivated, and an agricultural population on the land, than anything else that can be suggested.

[*This concludes the evidence-in-chief.*]

Chairman: I will ask Dr. Douglas to commence the questions which he may think necessary to put to you.

1345. *Dr. Douglas*: I see you say in the third part of paragraph 2: "There is little doubt that during the hustle of the war a proportion of the grass land ploughed up was unsuitable for the purpose." Would you develop that a little and explain why and in what respects?—The Agricultural Committees were asked to get as much grass land ploughed up as possible, with the object of increasing the production of corn. This was done a good deal through the District Committees in the English counties, and some of the District Committees had an idea that everybody should do their share. The result was that some people who had some very unsuitable land for ploughing up were asked to plough their land up, and they did so. The probability is that it was economically a mistake to do that. It was only the absolute importance of getting more corn that justified them in doing it at all.

1346. What were the chief causes of unsuitableness and loss?—Through the land being very wet and undrained in many cases, and perhaps being very heavy land. Those would be the chief causes.

1346A. Was there much loss from parasites?—Yes, from wireworm of course, but I do not think that that applied to any one description of land more than another; I think it depended a good deal upon the management.

1347. There seems to have been a great deal more loss in respect of that land in England than in Scotland?—Yes, I think that is so.

1348. Can you suggest any reason for that?—I think the reason was because perhaps the District Committees did not do it in Scotland the same way as they did it in England. The District Committees were so anxious to be fair, as they thought, and were so anxious that everybody should do their share in this country, that the result was that some people did their share who ought to have done nothing at all because their land was not suitable. I think that is the reason.

1349. On the whole, was the land ploughed to a sufficient depth, do you think?—Some of it was. Some people did not do it properly and some did not try their best, but on the whole I think it was ploughed deep enough.

1350. Has a good deal of that land reverted to grass already, do you think?—Yes.

1351. If you compared the years 1914–15, is the proportion much less than in 1919?—I should not like to say that. I asked for the June statistics the other day, but they had not got them. There is a certain amount of the land which was not cropped in 1918 at all; it was only bare fallow. That land was cropped for the first time in 1919.

1352. Ploughed up without being cropped at all?—Yes, late in the summer—July or something of that sort.

1353. Was that by the instruction of the District Committee?—Yes.

1354. Would you think it unusual to find the same amount of land under grain in a district in 1919 as compared with 1918?—I should not like to say that. I personally have not got so much land under grain this year as I had in 1918 quite, and the season has been very bad for this year too. That would affect it as well. The season would make less for 1919.

1355. I have been surprised to find exactly the same amount in certain districts that are known to me in 1919 as in 1918?—I do not think there would be so much less as people generally imagine. That is my view; but we do not know, you see; we shall know soon.

1356. You think there will be in the near future a strong tendency for land which has been ploughed up to go back to grass?—The heavy land will go back—the three or four horse land.

1357. But not on the whole—the light land which was in pasture will not go back?—That depends on the prices.

1358. Your answer is that that would depend on the farmer's view of what prices are likely to be?—Yes.

1359. At present prices, or approximately present prices, do you think the land would remain in cultivation?—I think all except the very heavy land could remain in cultivation—I do not say it will

1360. It has been stated that there has been a great tendency to put land back to grass?—That is the view of the farmer at the present time. He is worried over labour troubles at present, and he is inclined to do it, I think.

1361. Is that because he is afraid of prices, or because he wants to work his land in an easier way?—I think it is both.

1362. Do you think guarantees regarding prices would overcome the other difficulty, or that there would still be that tendency?—I think it would help very much to overcome it.

1363. You say in paragraph (4) that land has got into a very bad state of cultivation owing to pressure of cropping and shortness of labour, and there will be a large outlay to be made by nearly every farmer to bring his land back into the state in which it was in 1914?—That is very much the case; it will take a very large sum to put it back in the condition it was in 1914.

1364. Is that shown in the condition of the crops generally?—Yes, I think it is.

1365. In the foulness of the land?—Yes.

1366. Of course, it is difficult as a matter of immediate policy, but do you think there is a great deal of land capable of cultivation which is kept out of cultivation owing to the absence of adequate drainage?—No doubt drainage would help land to be cultivated; there is a good deal of land at the present moment that wants draining.

1367. Part of it was cultivated in a mistaken way during the war and part of it was not cultivated at all?—Yes; but, of course, the cost of draining is very heavy now compared with what it was.

1368. The cost of the ordinary equipment of land you put down also as having increased very much?—Yes, very much. Maintenance and repairs is probably three times what it was. I have put it down as twice myself, but I think it is probably nearer three times.

1369. Do you suppose these are considerably in arrear?—Yes, they are very much in arrear in my opinion.

1370. Landlords have not been able to spend the money, even if they have been willing to do so, owing to shortness of labour?—Yes; I think they would have spent their money on more productive things even if they had had the money.

1371. And also, of course, the cost was a deterrent?—Yes, the cost affected it of course.

1372. Landlords had no increase in revenue to make up for this additional cost of maintenance and farm equipment?—No, unless they raised rents.

1373. On the whole, have they raised rents, do you think?—No, I should not say generally, but occasionally where leases have run out, and so on, they have done so.

1374. Rates have increased slightly?—Yes, but not very seriously.

1375. Are you including in the 10 to 20 per cent. the probable incidence of the new education rate?—No, I was not, but they have increased very little indeed during the war—only a trifling sum.

1376. Rates to a considerable extent depend upon services and labour, the cost of which has all increased?—Yes, and it is sure to increase still more in the future. I have put it at 10 to 20 per cent., but it is probably a good deal more.

1377. As you are speaking of rates, have you any idea of the cost of the administration of the Education Act?—No, I should not be able to give you an opinion that would be worth having with regard to that, I think.

1378. You have no idea of what effect it will have?—No, I have not.

1379. It is an important point?—Yes, it is a very important point, and I am afraid I have treated it too lightly. Roads also, I think, will be greatly increased in cost.

1380. Would it surprise you if in some cases the education rate will be doubled?—No.

1381. I can speak of cases in which it has been doubled?—I have evidently not allowed enough for the increase in rates.

1382. You submit certain figures dealing with a group of farms. What sort of conclusion with regard to the cost of production of wheat do these figures lead you to?—Taking it on the whole it produces an increase of 126 per cent., and if you take wheat alone, I suppose it would be about the same.

1383. You have given the 1918 figures as being £14 11s. 9d.?—Yes, from another set of books altogether.

1384. What sort of yield would that be?—That would be 5 quarters to the acre. Last year we had that; it was a very big crop last year.

1385. I am at some disadvantage in putting questions to you on your *précis* because we have only had it before us in the last few hours. I should, therefore, like you to bring out any points in connection with wheat prices that seem to you to be relevant?—Would you like me to go into the statement as to the cost of growing wheat that I have put in?

1386. Yes, I think so?—I have explained to you how these figures are arrived at in the statement. I do not think I need go through that. We have a ledger account against each field, and the labour and horse labour and manures, and any other expenses are put down every week as the amounts are expended. Of course, certain things have to be more or less estimated. We have to estimate, for example, what we should charge for the use of a horse and the implements that are used. The price we have charged for 1918 was 8s. in the busy time and 4s. when slack. We used to charge about half that price, and I do not think that the 8s. is really enough now.

1387. As to these charges for horse labour, have you checked them, having regard to the cost of maintenance and the depreciation of horses, and so forth?—I cannot tell you for 1919, but my impression is it is too little for 1918. You see you have to fix these prices at the beginning of the year. We had to fix these prices for 1918 at Michaelmas, 1917, and although they seemed sufficient then, I think it ought to be rather higher now, because if a horse died, owing to the high prices it is a much more serious loss to you.

1388. These prices were assessed before the experience of 1918 was complete?—Yes.

1389. They were based on the experience of 1917?—Yes.

1390. They are really 1917 cost figures?—Yes, but probably one looked ahead a little and saw that prices were going up, and put them in at a little more.

1391. But generally the experience on which they are based is 1917 experience?—Yes. There is another item which I do not think I have put quite high enough. That is for threshing and delivering. That was fixed, too, at the same time—Michaelmas, 1917—but we found that the cost of threshing was a good deal higher than we expected. There was a lot of straw and the corn yield was very bad. The weather was very bad, and it cost more than what I think I put down. I think at least another 5s. an acre ought to be added on to that.

1392. Speaking of labour cost, a suggestion has been made to us—I do not make it myself, nor does it correspond with my own personal experience—that there has been a very general loss of efficiency in labour. Have you anything to say about that?—I am the last person who wants to find fault with the agricultural labourer. I think the best of them are the finest fellows that ever walked, but in the case of some of them I think there is less efficiency.

1393. It has been necessary during the stress of the war to employ a great deal of labour which is unskilled and inexperienced, and obviously less efficient, but the suggestion is further made that there has been some decline in the efficiency of the skilled agricultural labourer himself?—I am afraid

that is so. I think he does not see the necessity for working so hard as he did, but it is very difficult to say. I think that is one of the reasons why the cost of the labour on one's farms is higher than it ought to be, bearing in mind the ordinary rise in wages. It is certainly a general opinion among farmers that that is so, and I think it is also the opinion that is held among farm bailiffs. I do not think it applies to some of the best men, but it does apply to some others, I am afraid.

1394. You would not say it is general, but you have evidence that it occurs?—I think it is rather general. I think the real reason is that everybody is tired, you know. I am tired myself, and I think they are all like that, and we all want to do a little less, I think. There is another point on that I might mention. It is very difficult to get the agricultural labourer to take piecework now. He will work by the day. My own opinion is that if you always work by the day you do get to a lower standard somehow or another. I think that is what it comes to. I hope, however, that we shall get over that difficulty presently. Another thing is that it has been very difficult for us to fix the price of piecework in the past, as the labour changes so much.

1395. Your view is that in order to maintain cultivation a guarantee with regard to prices is necessary?—Undoubtedly.

1396. And you submit the figures which are your estimate for 1920 which you have taken as the basis for that suggestion?—Yes.

1397. Have you anything to add on that subject?—I do not know whether you want me to say what would be an adequate guarantee.

1398. You have gone into costs very carefully, and I think the Commission would wish to know that?—Of course, under the Corn Production Act it would be 45s. for the next three years. I think my figures undoubtedly show that that would be a hopeless price.

1399. That price would represent a heavy loss?—Yes. Of course, when the Corn Production Act prices were fixed it was supposed to be the minimum. It was not supposed to be the maximum the farmer would get, or even a profitable price. The idea was to defend him against any serious losses, so that he should not be ruined.

1400. The object of the Corn Production Act was to guarantee a minimum price?—Yes, and for that reason I should not put the minimum price so high as a great many farmers would desire it to be put. Personally I do not know that we really want a guarantee at all very much for the next year or two, because I think prices will be high probably, but farmers generally do not believe that.

1401. That would lead you rather to conclude that the Government might safely give a guarantee?—Yes; the effect of giving a guarantee would be very inexpensive probably. When the Corn Production Act was passed is was prophesied that it would cost millions a year. Some of us did not believe that, although we were too low no doubt, but I think it is necessary to give a guarantee now, otherwise people will not have confidence. The figure which I think it ought to be is a low figure compared with what the farmers would expect. Ninety-nine farmers out of one hundred would tell me it would not be sufficient. The figure I should put would be 60s. and a corresponding price for oats.

1402. In your view, the relative prices of wheat and oats in the Corn Production Act should be in proper relation?—Yes.

1403. Do you think that would give confidence to farmers?—I think in the long run it would, although they still say it would not. I think when they came to think it over it would, and that it would prevent the land from rushing back to grass too fast.

1404. It would prevent some land going back at all events?—Yes, it would prevent the moderately good land rushing back, I think—of course with the prospect of getting more than that very likely, because that would only be the minimum if the market justified it.

1405. There is another matter that you refer to at the end of your *précis*, that is the question of guaranteeing the price of milk by means of a guaranteed price of cheese?—Yes, I attach a great deal of importance to that, because I have been in consultation a great deal with doctors and people who are very anxious that there should be more milk consumed in the country. The only way of getting more milk is to get more cows in the country to produce it. I do not think anyone at the moment would be prepared to go in for much fresh cow-keeping unless they saw there was a prospect of milk not slumping down. The moment you get a surplus now—I am not talking of the price to-day, because the price to-day is quite exceptional—but in the future, if the price goes back to, say, 50 or even 75 per cent. above the pre-war prices, or perhaps 100 per cent. on pre-war prices, it is very essential that the farmer should feel that if he launches out, builds cow-houses and starts a herd of cows at the very high prices which are ruling to-day, he will be able to continue cow-keeping at a reasonable profit. There is sure to be a surplus of milk at certain times, and the only way he can be assured of a reasonable profit is by his having a guaranteed price for cheese.

1406. The price of cheese does not exercise in normal times a controlling influence upon the price of milk?—Yes.

1407. That is to say, if milk goes down to a certain point in price, the surplus is manufactured into cheese?—Yes. I should keep my price of cheese below the price of milk. I should fix it at a sum, so that the farmer who made cheese should on the whole not make so much as he would by selling milk.

1408. That guarantee, if it were to be effective, would almost certainly cost the Exchequer something, would it not?—Yes, I think it would be sure to cost the Exchequer something.

1409. A guaranteed price of cheese adequate to maintain the price of milk would be costly because of the competition of cheese in the world markets?—No, I am not certain it would. You have the world markets in regard to wheat also, and that does not operate, or at least it would not do so to-day.

1410. It is very difficult to say, because the cheese control is more extended to other cheese-producing countries. We are influencing the prices of Canadian cheese, are we not?—Yes; but we are giving the market price for cheese in Canada, are we not?

1411. I should not like to say?—I thought we were.

1412. You agree that it would be a source of expense?—It might be a source of expense. I do not say it would be.

1413. You do not agree that it would be a source of expense?—Not absolutely necessarily. I agree it would probably be a source of expense, but I want to get a supply of milk.

1414. You put it to us that the future of the milk supply is a serious agricultural problem?—Very, I think.

1415. Do you agree that the control which has been exercised on the whole has rather depressed milk production?—I would not say that, although I think people do not like control. Personally I am not going to find fault with the controlled prices.

1416. *Mr. Rea*: You have had a good deal of experience as a member of Commissions and Committees yourself, have you not?—Yes. I was on Lord Milner's Committee and I was on Mr. Hobhouse's Committee for Soldiers and Sailors on the Land. There I signed the Minority Report with Mr. Roberts, the present Minister of Food, and Mr. Leslie Scott, rather recommending something similar to the Corn Production Act. I was also on the Reconstruction Committee, of which Lord Selborne was Chairman, and which you were on yourself.

1417. Of course, that puts you in the position of being able to speak with first-hand knowledge of the subjects we are dealing with?—Yes, I know what has been going on most of the time.

1418. You said you would suggest that the guaranteed price for wheat should be put at 60s.?—The minimum price.

1419. Yes, as a minimum. The Corn Production Act at present runs out in 1922, does it not?—Yes.

1420. Would you suggest that this 60s. should only take effect up till then, or would you suggest that the Government should intimate at an early date whether they mean to continue or not continue with the Corn Production Act?—Yes, I think it is very important that the guarantee should be for a considerable number of years. I do not think, for example, that a guarantee for three years will be of much use now.

1421. No; that is what I feel?—My own view is that it ought to be at least 8 years.

1422. With your recommendation of a 60s. minimum would you couple a recommendation that the guarantee should be for, say, 8 years?—Yes.

1423. That would naturally give the farmer much greater security than he would have with a shorter term?—Certainly.

1424. In the figures you have put before us as to farm results, I do not know that it applies in your case, but in many cases large figures have appeared on paper of results for the war years without taking into account the depreciation of the land which has occurred. Have you allowed for that in your figures—or possibly you have kept up the condition of your land?—No; these figures that I have given here have not allowed for that at all, but no doubt land is in a very bad state to-day. My land, and I know many other people's land also, is in a bad state, and it will require a considerable sum of money spent on it to bring it back into the condition in which it was in 1914.

1425. Could you form an estimate, taking the country generally, of what proportion of the so-called profits during the last four years would be required to restore the land to its pre-war condition?—A considerable sum. I think it would take at least £5 an acre to put it right.

1426. So that what figures we really see are misleading as to the farmer's actual profits?—Yes, they are very misleading.

1427. Of course, you know we are faced in the beginning of October with a shortage of the hours of labour from 54 in the summer to 50?—Yes.

1428. I think it is contended on some hands that the increased wage will produce increased efficiency in the labour, and that we really shall not feel the shortening of the hours in the output of work. Is that your opinion?—These figures which I have put before you have not allowed at all for that shortening of hours; they are based on the existing number of hours.

1429. To put it in another way, do you think we shall get the same output in the reduced number of hours that we did in the larger number of hours?—I am afraid not; I think we shall get a reduction of output. As things are at present, we certainly shall, but what may happen in the distant future is uncertain. At present we are certainly getting a reduction.

1430. So that you will require additional men to keep your land in fertility?—Yes, except that you may be able to organise your labour better, but I doubt whether that will be possible.

1431. So that the cost of production will be increased to that extent?—Yes.

1432. With regard to your Table No. 1, revenue expenses, rent, interest on buildings, tithe and land tax, you speak as an occupying owner?—Yes, this is an occupying owner's property I am referring to here.

1433. Does 20 per cent. represent the actual increase on those items?—On the whole I am inclined to think it would be more than 20 per cent., but I rather wish to put it in a moderate way.

1434. I ask because it struck me as being rather small?—I think, on the whole, it would be more, because the cost of repairs is excessive just now—whether that will be permanent or not I do not know, but at present it is—and also, of course, there are the arrears to be made up as well.

1435. Owing to the fact that no repairs have been carried out during the last few years, there are not only the usual running repairs to be done, but the arrears of repairs that have to be made up?—Yes, and for the future it will require to be larger than that.

1436. In one or two of these items you put the rates down as being less in 1920 than in 1918. Is there any particular reason for that?—The probable cost for 1919-20 is more or less an estimate. The figure for the year 1918 is what actually happened to be in our books for that period. It would look as if the estimate for 1919-20 was not enough. I did not intend giving you these 1918 figures at all, but when Mr. Goddard saw the figures in the books he thought it would be interesting for the Commission to see them, otherwise I should not have put them in at all.

1437. 1919-20 would work out at a larger sum, you think?—Very likely it would.

1438. Horses and horse fodder you have only put at 100 per cent. increase?—That, of course, is not taking into account the summer drought. I have taken the season as a whole. I was considering the future year. Of course, the price of hay will be a great deal more than that.

1439. And the price of oats?—Yes, it must be.

1440. You are not treating it on the basis of special conditions in any one year, but looking forward to what the conditions will be in normal years?—Yes. I do not look upon that as a permanent circumstance which will affect it, although you have to allow for these occasional things, which do increase expenses very often.

1441. In the cost of production you find that labour works out as the most serious item of increase?—Yes. You will see, in the first place, that labour comes to 53 per cent. of the whole cost. In 1912, 1913 and 1914 rent was 16 per cent., and now it is 8½. Manure was 9, and is now 8.

1442. In view of the cost of labour and of these other items, do you think the farmers would take an unreasonable attitude if they strongly contended that your figure of 60s. as a minimum is not a sufficient figure?—No. I do not think they would, although I have a sort of hope that by better organisation, and perhaps when we get over this reaction of the war, we may get a little more work done.

1443. You do not take that into account in your figures, but that you think may be the case in the course of a year or two?—Yes, when we get settled down.

1444. Do you think that this increase in the cost of labour, the increase in the cost of manure, and cakes, and horse fodder, and implements, and one thing and another will have a decided tendency to induce farmers to lay much land down to grass?—Undoubtedly.

1445. And that, therefore, we may expect only the best class of land to be kept in cultivation?—If nothing is done, I think that is what ultimately will happen. The best arable land—that is the land which has made the most profit during the last few years, such as the South Lincolnshire land, and so on—will no doubt be kept in cultivation, but I think that is what will happen with regard to other land.

1446. What about the housing question? That seems also to be a great factor in the cost of production?—That will be a difficulty, I think, because a good deal of this land which has been ploughed up has been ploughed up in districts where the land went down to grass 20 or 30 years ago, and the cottages were allowed to fall down, and at the present time there are not the cottages there or suitable farm buildings. That will make it very difficult to get it started again and to keep up permanently as arable land.

1447. It would not be reasonable to expect the owners to build cottages unless they get some guarantee in respect of their outlay?—That is so, no doubt.

1448. All these illustrations tend to make cultivation possibly more difficult in future?—Yes.

1449. I do not think you suggested a price for cheese?—I do not think I am quite prepared to say at the moment what the price should be. I have an idea running through my head—I have not thought it out very carefully—of something like 1s. 3d. or that sort of thing.

1450. With regard to the efficiency of labour, you thought that there was at present rather a decrease in efficiency?—I am afraid there is.

1451. And a dislike on the part of the men to work piecework?—Yes, that is the real trouble. You cannot get them to take piecework.

1452. Do you find the same disinclination to work overtime?—In some cases, and in some cases not; it depends very much upon the leading men on the farms. On some farms they seem to work overtime with pleasure, and to be very glad to do it.

1453. That has a bearing on the shortening of hours, because if you could get overtime worked readily, you might make up the deficiency of the shortness of hours in that way instead of having to employ extra hands?—Yes, and that would be far better for the farmer himself, because he would not work overtime when he was not busy, and he would not need to keep extra hands idle when he was slack. There is a disinclination to work overtime on some farms, but on others, as I say, they are glad to do it. I think, on the whole, the tendency is for this disinclination to increase.

1454. They want their extra hours of liberty?—On the whole. But it depends upon what you ask them to do. At harvest time and hay time they will work overtime, and on drilling probably and those sort of things. It is very important from the point of view of the farmer that his horses should be doing their full amount of work. If his horses are losing four or five hours on Saturday afternoons, the cost of the horse is very large. You not only lose the value of your man's time, but you get so much less out of your horses, and that, of course, increases the cost of cultivation.

1455. *Mr. Anker Simmons*: You would agree that as regards a very considerable proportion of the land ploughed up, it really would be more profitable both to the occupier and to the nation that it should go back to grass?—I did not say a considerable proportion; I said some, I think. I would not go so far as that.

1456. There was a great tendency on the part of the Agricultural Committees, was there not, to return acreage as being ploughed rather than to have regard to the nature of the land that was ploughed?—I should not like to say that quite. I was myself the Chairman of an Executive Committee, and what we found was that our District Committees tried to be fair to everybody and make everybody do their share. Some people had land which was not suitable at all, but owing to that idea that land was ploughed up because it was considered necessary in order to be fair to the others. Other people, on the other hand, had a great deal more suitable land which could have been ploughed up, but only a proportion of which was ploughed up.

1457. Labour is more directly interested in keeping a big proportion of land under the plough than the farmer actually is himself?—Much more.

1458. It depends in a very large measure as to what percentage of land is under arable cultivation as to what the prosperity of our villages in future will be?—Certainly. I attach great importance to arable cultivation for that reason, because if the land all goes down to grass the population of the villages will go down also—it must do. Have you seen the figures I have given you for mixed arable and grass farms? If you look at them, you will see the difference is enormous.

1459. Yes. You are quite satisfied from your experience—because that goes back, like my own unfortunately, to that bad period of the 'eighties and the 'nineties—that it is absolutely necessary on the part of the Government in constructing an agricultural policy to give the farmer in some way or other some kind of guarantee against such a state of things recurring?—That, I think, is absolutely necessary.

1460. You see no better way or alternative scheme than that of a guaranteed price?—I think that a guaranteed minimum is the best way of doing it. I have thought over these matters for many years, and I have come to the conclusion that that is the best way of doing it on the whole.

1461. Any other scheme would involve the cost of it falling on the consumer instead of on the State?—Yes.

1462. It is fairer that the State should pay rather than that the consumer should pay?—That is what my view is.

1463. With regard to piecework, you would regard it from your experience as highly valuable that there should be a return to the inclination there was in pre-war days, particularly on the part of the good men, to work by piecework rather than otherwise?—Yes.

1464. It is your good man who adopts the piecework system?—Yes.

1465. Because in that way, and in that way only, can he prove that he is a better man than his neighbour?—Yes.

1466. It is not desirable in the interests of agriculture that there should be too uniform a rate of payment under which the good labourer is paid the same wage as the bad one?—That is rather my view.

1467. You have kept very careful accounts in relation to all your farms over a considerable period?—Yes.

1468. On the basis of costing?—Yes, a ledger against each field.

1469. That is what I was leading up to. The only method really of ascertaining the cost of a crop is by keeping a ledger account against each field?—That is what I think. We thought it over a good deal and came to that conclusion. We started this ledger account 20 or 30 years ago.

1470. I know of no other method of arriving at the real cost. With regard to your suggestion as to the guaranteed price for cheese, are you quite sure that it would not be better to consider the question of a guaranteed price for milk? What I have in my mind is this: Suppose milk were at a very low price and everyone rushed to make cheese, would there not be a grave danger of a severe shortage of milk, which is really from the children's point of view more essential than the cheese?—I would have the cheese price lower than the milk price. I would not let the guaranteed price of the cheese be as high as the ordinary price of milk.

1471. We have rather at the Ministry of Food adopted the other principle of having a ratio—at least that is the one I have always advocated—as between milk and cheese, giving a certain allowance for the cost of making the cheese. Do you not think that would lead to more beneficial results than depending upon the guaranteed price of cheese only?—The difficulty is that you very often have to find a market for milk suddenly, and as long as the guaranteed price of cheese does not interfere with the bulk, I do not see any objection.

1472. We are pressed very much to issue an interim report. We take it that is wanted in order to assist the Government in forming an immediate agricultural policy. From your observation of agricultural matters generally, do you think that it is likely that any guaranteed price of any cereal, for instance, will be within measurable distance of the market value which is likely to obtain during the past 12 months?—It is very difficult to say. My own view is, and I think it is the view of most of the corn merchants I have talked to, that the market price is likely to be higher. The farmer has never been allowed to get the full price that he can get for his wheat.

1473. All the guaranteed prices have been against the farmer?—Yes. He would probably have got another 25s. a quarter, would he not, or something like that?

1474. Do you think there is the slightest risk, supposing the Government did not declare its policy at once, of any farmer of arable land not cultivating land with a view to obtaining the best results from the produce point of view during the next 12 months?—I think there is, because for some reason or another—I do not quite know why—the farmers, or at least those whom I have talked to, are all anxious to know where they are, and it is very reasonable, I think, that they should.

1475. We do not all think. You yourself from your wide experience would not cultivate your land any differently if a policy were declared, or if it were not declared, within the next three months?—I do not think I should myself, but I have a little fear that the Government might do something or another in the way of perhaps bringing all the American wheat over here for practically nothing, and putting the price down and the farmer being told that that is the market price.

1476. Dealing with your No. 1 statement of revenue expenses on the 4,550 working acres, I am rather struck with the very large increase which you anticipate on the item of labour for the year 1919–20?—I base that on an average of seven weeks commencing on the 1st June to the middle of July of the various years 1913 to 1919. You will see it on Table 1 (A). That is the reason I took that figure. This is not an estimate; it is a fact. It is what actually happened.

1477. We may take it that all the figures you have supplied us with that refer to every year up to 1918 are actual figures taken from your books?—Yes.

1478. The only estimates are those which refer to the year 1919?—Yes; but I formed my figures with regard to labour on the actual facts of the seven weeks between June and July of this year. You must remember that June of this year was a very light labour month compared with what it often is, and in July we had very little hay and the weather was also very dry.

1479. On the question of milk, what would be the rise in the case of your milker? Assuming your milker was paid 17s. pre-war, what would your milker be paid to-day?—I can tell you what my milk is costing to-day, which is a better guide than the other. My milk at the present rate is costing me £9 a cow for labour.

1480. Over what period is that?—That is the average of the year, taking summer and winter. Before the war it was something about £3—it might have been three guineas, or something of that sort.

1481. That is the total labour in connection with the cow?—Yes, per cow.

1482. Take the last item but one, sundries, is there not a mistake there in the typing? You have put it that the sundries rise from £636 12s. 8d., the average of the three years 1912, 1913, and 1914, to £2,058 in 1918. Should that not be £1,058, because your estimate of the probable cost for 1919–20 is £1,273?—You mean we are so high in 1918?

1483. Yes?—I do not know why they were high, but they were high in 1918. They were only £636, the average of 1912, 1913 and 1914, and I have taken 100 per cent. as the increase. These 1918 accounts were put in afterwards, and they show that I underestimated it a good deal, as it seems to me.

1484. I follow now. You are calculating that the expense of 1919–20 will be 100 per cent. more than 1912, 1913, and 1914 and this year's figures?—Yes; I am not working from the 1918 figures at all. The 1918 figure is only put in for the purpose of information.

1485. The actual expenditure in 1918 was over £2,000?—Yes.

1486. So that that shows that your estimate is rather below than above?—Yes. During the war we have had a lot of sundry expenses that we shall not have now. Farmers have had a lot to put up with during the war.

1487. On this point of a guaranteed price for wheat, you say that 60s., in your opinion, for eight years will be fair?—I think, on the whole, it would give more confidence and that it is worth while having a try at it.

1488. I take it you have in your mind that it would be undesirable from a national point of view, and also to a large extent from the agricultural point of view, to suggest any kind of guarantee which would be going beyond an insurance against certain loss?—Yes. Your words express my views exactly.

1489. That it is not in the interests of agriculture to put such a guarantee as would check the efficient man and make the lazy man lazier still?—Yes. I think this guarantee is as much as we should reasonably ask for. I think it is very important that the farmer should not ask for too much; that is my view.

1490. A high guarantee would in a sense discourage rather than encourage high production, and your guarantee would induce the man to use every endeavour to do his best in the way of production?—Up to a point, I think, it is so, but I do not think I should go so far as to say that. I think the farmer has been producing as hard as it has been possible for him to do lately. I should put it in this way, that if you make it 60s. you will get the farmer to produce as hard as he can. If you go beyond 60s., you will be giving a wheat subsidy at once.

1491. I am rather struck by some of your figures as to the cost of production of the 1918 wheat crop. For horse cultivation previous to harvest you have put down £1 18s. 3d. per acre, and for hand labour previous to harvest £1 1s. 6d. Those figures strike me as being extremely low. What was that wheat after?—It was 285 acres of wheat. I cannot tell you what crop it followed.

1492. It was on one farm?—Yes. It would be after different crops—some of it would be after beans and some of it after oats, and so on, and some of it after wheat.

1493. You have told us that you think the item for threshing and delivering is too small?—Yes.

1494. My experience of this last year is that you could not thresh and deliver under 8s. a quarter?—No. It ought to be a shilling more as I have said, and I think very likely it ought to be 2s. more, because the threshing costs a tremendous lot of money. There was a great deal of straw, and instead of threshing 50 or 60 quarters in the day, you only threshed 20 or 30.

1495. *Mr. Overman*: In the third paragraph of your *précis* you say: "It is hoped that the larger part of the grass land which has been ploughed up during the war should, if possible, remain in arable cultivation." You have already stated that you think the best way to attain that object is under the Corn Production Act?—Yes.

1496. You are a believer in the Corn Production Act?—I am.

1497. Do you seriously think that the moment has come when the farmer would be satisfied if you gave him an offer of 60s. a quarter for his wheat for the next year?—As I told Dr. Douglas, I do not think the farmers would be enthusiastic over it, but I think when they come to think it over many of them will have a try at it.

1498. We know from the evidence of officials of the Board of Agriculture whom we have had before us that land is now going down to grass even at present prices?—That is because farmers believe the present prices are not going to continue.

1499. With regard to the cost of production of an acre of wheat, which you put at £14 11s. 9d., and which, I am sure, is a low one, assuming the yield to be four quarters to the acre and the guaranteed price to the farmer to be 60s., that would amount to £12, so that you would be putting wheat on the black list

at once?—I do not say the farmer would only get 60s. a quarter. 60s. would be the minimum price. He would have a free hand and would get the market price, whatever it was.

1500. The trouble is that the farmer does not believe in the future?—Yes, that is so. When we saw Sir James Wilson saying something about it being 40s. a quarter in the near future.

1501. Under the Corn Production Act the farmer is paid on the basis of four quarters of wheat and five quarters of oats?—Yes.

1502. Do you think the Government have done the right thing in making a reduction on the oats and on the barley for the 1919 crop?—Are they doing that?

1503. Yes, certainly. Do you believe in that policy?—No, I do not believe in that policy at all, and I am very surprised to hear that they are doing it.

1504. They are making a reduction. I am glad you support the general feeling of agriculturists as regards this, because I think it is a very strong point?—Under the present Corn Production Act you get the whole.

1505. Yes, but not in the 1919 prices?—We get the whole of the wheat, but only a proportion of the barley and oats. I do not think it matters much, but at the same time I agree it is not fair; I do not approve of it.

1506. There is only one item I want to discuss with regard to your wheat statement for threshing. Mr. Anker Simmons' experience is that you cannot get it done under 8s. My experience is that this year it costs nearer 10s. With the price of threshing and the price of coal, and so on, we worked it out at 9s. 6d.?—I may be wrong about that. I fixed this price at Michaelmas, 1917, and I did not realise that it was going to increase so largely.

1507. All I wanted you to do was to admit that it was on the low side?—Yes. Perhaps it is 2s. on the low side.

1508. As to the question of the seed, how much do you sow?—Two and a half bushels. Some bailiffs like to sow more, but if you ask me, I sow 2½.

1509. That comes to a good deal more than 24s. under last year's prices. I have not reckoned it up, but it is a good deal more?—Is it—for 1918?

1510. Yes, on the 1918 crop?—At 10s. a bushel for 2½ bushels that would be 25s., and wheat was not 80s.

1511. You are putting it at the minimum?—Taking the average at 75s., it would come to less than 24s., would it not?

1512. I only wanted to point out that in my opinion the estimate is a low one, and that you have admitted entirely?—Yes, I admit that; but that is what we paid and what we booked against ourselves for it. I suppose we booked our home-grown wheat at what we sold it at.

1513. *Mr. Batchelor*: You have told us that you have a ledger account against each field?—Yes.

1514. Do the totals of all these field accounts in your ledger for any one farm come to the same total as the actual yearly expenditure on that farm?—Yes, when you take the stock and that sort of thing as well.

1515. Do you make up a balance sheet in addition?—We bring it up pretty near. When I made my address as President of the Surveyor's Institution I worked it out very carefully before I put the figures down. I took it out then over 20 years, and I found it was remarkably near. I will not say it is so near the last year or two, because we have not been able to check things quite so much as we were able to formerly.

1516. There is one item I should like particulars of how it is made up. You say in your *précis*: "As regards horse labour, the total cost of keep and expenditure incidental to maintaining a pair of horses and the implements used by them has been calculated, and a daily charge has been made for the use of horses according to the time of the year. The scale varies from 8s. per day in the busiest time to 4s. per day when there is less stress of work." Is that 8s. per day per horse, or per two horses?—Per horse.

1517. Can you tell me how many days in the 365-day year you are calculating upon?—I cannot tell you the exact number of days, but I should think from 220 to 240, or something of that sort.

1518. Have you put against the various crops the actual number of days that the horses have been working at these crops?—Yes, the actual number of days the horses have been working on the field is booked every week.

1519. How do you differentiate between the busiest time and the time when there is less stress?—On the whole there is probably a good deal more busy time than when there is less stress, but I should say that the period of less stress would probably be from towards the middle of December to January and February if it is a late season.

1520. Can you tell me how much it costs to maintain a pair of horses for the year with implements?—I did know that, but I do not know that I can tell you that to-day from memory. I had it all right at one time, but I cannot say exactly now.

1521. My reason for asking you is because your figure seems to me to be very low?—I think it will be higher for the future, but these figures are not based on the cost to-day. This began in Michaelmas, 1917, and it carried on until Michaelmas, 1918.

1522. You have not with you the details of how that is arrived at?—No, I am afraid I have not.

1523. Can you get those for us, because I should be very interested to see them to find out exactly the number of days that you estimate a horse is working in a year, and the number of days it is not working, either on account of weather or illness, or Sundays or half-holidays, and on other occasions, to see definitely how you arrive at such a figure as you have put down here?—The Saturday half-holiday does not affect these figures, although, of course, it will affect them in the future. This estimate is for 1918, and it does not show what it will cost in 1920.

1524. In this figure did you allow for depreciation of horses and probable deaths?—Yes, it is supposed to allow for that—it did, I think, at that time.

1525. One general question, which I think you have probably answered to some extent already. Do not your 1918 figures show absolutely on the face of them that your estimates for 1919–20 are much below what they ought to be?—I think it shows they are extremely moderate. You will notice that manure is very high for 1918 compared with what I have put down for 1920. We were compelled, all of us, to get the biggest production that we could out of our land in 1918, and we put as much artificial manure on our land as we could in order to get the maximum crop.

1526. Will you not have to continue that?—Very likely I shall have to do so, as my land is in such bad condition.

1527. So that for 1919–20 the cost of your manures will be as high as it was in 1918?—I think very likely it will.

1528. Or alternatively your production will go down?—I think very likely that is so because of the bad state of my land at the present time. I worked it out on the basis of the manures I used in 1912, 1913 and 1914, and the increase in price upon those. Sulphate of ammonia, for example, has not gone up very much.

1529. In 1912, 1913 and 1914 there was a considerable unexhausted value in your land?—Yes.

1530. Would you say there was any in it now?—My land is in very bad order now.

1531. Instead of the land being due you anything, you are due it something?—Yes, that is so.

1532. *Mr. Ashby*: I am sorry I did not have your figures rather earlier, but there are one or two questions I would like to ask you. Do I understand the

year you have taken here is the year from Michaelmas to Michaelmas?—Yes.

1533. Michaelmas, 1917, to Michaelmas, 1918?—Yes.

1534. Turning to your first statement with regard to revenue expenses, you do not offer us any statement of receipts?—No. I thought that the expenses were the important part.

1535. Taking the three years in the first column, would there on the whole be a profit in those three years?—Yes, there would be a profit.

1536. This is a farm devoted to general production?—Yes.

1537. If you go to the second column dealing with the year 1918, the increase in your expenditure is roughly round about 93 per cent., is it not?—Yes.

1538. Would you agree that in that year the increase in prices was just over 100 per cent.?—If you say so, I will accept it, but I should not like to say of my own knowledge to-day. I should think probably it would be 100 per cent.

1539. The Board of Agriculture officials have put it at that?—I quite accept it if they say so.

1540. Would you agree that an increase of 93 per cent. in your expenditure and an increase of about 100 per cent. in your prices represents that whatever profits you had in 1912 and 1913 and 1914 are now double, or just over double?—Would that be so according to that—would that mean that?

1541. Absolutely?—I do not think it works out in that way. I thought it would be the same according to that, would it not? You remember that the capital would be doubled; there would be double capital to pay on.

1542. Go to the third column of your figures, in which you state there is a 126 per cent. increase between the year 1919-20 and the average of the three years preceding the war. I think you stated that that may be a little too low. We will take it at 135 per cent. if you like. Sir Henry Rew put in a set of prices for June, 1918, and June, 1919, from which it appears that the average increase in price of all products was 135 per cent.?—What products?

1543. All farm products?—Will you tell me what they are?

1544. Cereals, wheat, fruit and vegetables, milk, butter, cheese, eggs, everything—but taking the three cereals alone it is 135 per cent.?—Above what?

1545. Above the 1913-14 prices?—The Board of Agriculture papers do not show me that. I have got the figures of the Board of Agriculture here, and if you take the six years previous to the war, you will find that the present price of wheat is 116 per cent. above, barley 121, and oats 145, I think.

1546. The statement we received from Sir Henry Rew one day last week gives these figures, that the percentage of average increase between 1913-14 and 1918 to May, 1919, was 130 per cent. for wheat?—I wish he would bring his book and show that, because I have his book here and it does not show that. What does he call the price of wheat in 1918-19?

1547. 73s.?—I thought it was 71s. 11d.

1548. He states his average as 73s.?—Of course, I do not like to put my opinion against Sir Henry Rew's, but I understood that the guaranteed price of wheat was 72s. That is what I have always heard it was, and I have had opportunities of knowing as much as other people about it.

1549. Has it not been 76s. during recent months?—That is not the Gazette price.

1550. In any case there is only 1s. difference between yourself and Sir Henry Rew. Sir Henry Rew says 73s.?—I thought it was 72s. I have discussed it with many people and been present when these things have been arranged, and it has always been called 72s., and the difference between 72s. and the prices before the war is 116 per cent. as I read it in this book here. I have the prices here for 1912, 1913, and 1914. I have taken the six years, but if you take the three years 1912, 1913 and 1914 it will be a little more—it will be about 12s. 8d. That is 4s. 2¼d. a bushel.

1551. Is the average price for 1913 and 1914 31s. 9d.?—I cannot do more than point out to you the Board of Agriculture's books that I have here in front of me.

1552. In any case if your expenditure for 1919-20 is 120 or 130 per cent. over that of 1913-14, and prices have risen in the same proportion, profits have also risen in the same proportion?—Yes, but there is double the capital employed, so that it would not be any more interest on the capital. I suppose that is all right, but it is a point of view from which I have not looked at it quite. I have not really thought of it from that point of view.

1553. I wish you would think of it from that point of view?—Will you just put it on paper for me exactly? Supposing the expenses were £1,000——

1554. Supposing your expenses are £5—that is a simpler sum to take—and you double them, that is £10; and supposing your receipts are £6 and you double them, that is £12. The balance increases in the same proportion?—Yes, that is so. I have no doubt you are right there, but as the capital has increased also, there is not any more profit at all really. The capital is double.

Chairman: I do not like that to be taken as a definite statement of evidence because you have produced no statement of income; you have only produced a statement of expenditure. Figures based on assumption will not go very far in assisting us in our quest unless you are disposed to produce not only your expenditure, but your income.

Mr. Ashby: If the receipts had been stated here in the same way as the expenditure is stated, there would have been no need for my cross-examination.

Chairman: Mr. Strutt has not given us his income and does not intend to do so, otherwise he would have submitted it.

Mr. Ashby: In those circumstances, as Mr. Strutt has admitted that there was a profit, I think I am justified in trying to demonstrate that that profit must have increased at a very fair rate considering the increase in the rate of expenditure.

Chairman: I think that is a statement of yours which Mr. Strutt does not confirm or otherwise as regards his own farms.

Witness: I really do not know; I could not say. What I say is that even if it is so, the capital has been doubled so that really the profit is no larger.

Chairman: I should be delighted if Mr. Strutt would put in his revenue as well as his expenditure, but I am afraid we cannot compel him to do that.

Mr. J. M. Henderson: On a point of order, is one set of figures of much value without the other?

Witness: Do you consider the farmers have been making more money than they ought to have done since the war?

Chairman: We are dealing with a most useful piece of evidence, and that is the cost of growing wheat on a farm of 285½ acres. If you gentlemen will cross-examine as to whether that cost is accurate or inaccurate, that is all that it appears to me Mr. Strutt can tell you at the moment. When you have got to that cost, then if you know that the yield, as Mr. Strutt has told you, is 5 quarters to the acre, you can make a very fair estimate of what the result will be; but to ask Mr. Strutt to produce his revenue, which he has not done, unless he is willing to do it, is perhaps a little unnecessary questioning.

Mr. J. M. Henderson: On a point of order, did we get out in evidence from Mr. Strutt that he admitted that his yield was five bushels of wheat per acre?

Witness: I do not say that was my average crop, but for that particular year, 1918, it was 5 quarters.

1555. *Mr. Ashby*: May we turn to your estimate of the cost of growing the 1918 wheat crop? In the item interest on capital 15s., how do you arrive at that?—That is 5 per cent. on the capital employed per acre. That is just put in at the end. I do not generally put these things in for my own purpose. It is just a rough estimate that I have put in.

1556. Is the 15s. arrived at by estimating 5 per cent. as the rate of interest on £15?—That was the idea. I put it in because the wheat cost roughly £15 an acre to grow. It was a round figure and it cost so much less before. That is the reason.

1557. Now may we deal with your point that the capital has been doubled?—If you take the whole farm, it has doubled, not for growing wheat only. If you take the stock, it has more than doubled—cows, horses, and so on.

1558. Store stock has not doubled?—Cows have more than doubled.

1559. Have you not completely replenished the farm since the war as regards cows?—Undoubtedly; every four years I replenish my cows.

1560. What have you done as regards implements?—We have not bought so much as we ought to have done. We could not get them, you see. We have replenished a great many, but not all of the implements, but the cows we have quite.

1561. If you had a certain amount of mechanical equipment of 1913 and 1914 value, you must have doubled its pre-war value to arrive at its present value?—I do not think I have quite.

1562. I thought you said the capital had been doubled?—So it has on the farm. I have got double the capital on the farm to-day that I had.

1563. Arrived at by this method of doubling pre-war values or by actual expenditure?—By more or less actual expenditure, except in some cases—it is not always by actual expenditure, but I should think it is pretty well by actual expenditure now. The reason I do not want to talk about the profits on these farms is because there is a lot of Dutch cattle on them and Frisian cattle, nothing to do with ordinary farming at all. My son was very clever and went in for some Frisian cattle, which have increased in value very much, but that has nothing whatever to do with the ordinary English farming.

1564. Leaving aside the cattle, could we not have a statement with regard to wheat, as to which you have not pointed out any exceptional circumstances?—It is difficult to get that, is it not? I do not see how you could get it very well.

1565. Your position is that you show us your increased cost and use that as an argument for asking the public to guarantee a price to farmers, but you will not show us any changes, either up or down, in your profits?—I do not see how that affects it. I am sorry, but I do not understand the point of your question, or what you mean. Of course, this farm which I am quoting is one of the most favourable farms for growing wheat in the whole of the country of England, I suppose, and it is no sort of test of the cost of wheat growing generally all over the country.

1566. Could you trust this Commission to use fairly any evidence presented to us with regard to this particularly exceptional farm?—Yes, I have no doubt I could trust the Commission, but it does mislead rather if you take one of the best wheat-growing farms in England as an example for the whole of the country. This is one of the most suitable farms for growing wheat that there is.

1567. Do you suggest that the Commission would use the information in a misleading manner?—If I had any figures of other farms which were not so suitable, I would be glad to supply it. Of course, I do not suppose that the Commission would do anything unfairly. I think I ought to say that we are here to ascertain the truth, not only on one side, but on both sides.

1568. *Chairman*: Are you willing to produce a profit and loss account of your farm? I am not asking you to do it; I am only asking you if you will?—I have a lot of Frisian cattle which have gone up in value very much—they have doubled or trebled in value owing to the skill which my son has used in that way.

1569. If you were to exclude the profit on the Frisian cattle, would you be willing then to submit a revenue account of your farms, showing the expenditure and the receipts?—It would be very difficult to show it.

1570. Do not take it that I am asking you to do it, because I ought not to ask you to do a thing that you exhibit any hesitation to do; but I know the Commission looking at this expenditure would place upon the further evidence of the income in addition to the expenditure very considerable weight. But if you are disposed for any reason whatever to say that you would rather not do it, then we must proceed without it?—Well, Mr. Chairman, I feel this, that the past does not apply to the future. The accounts for the year 1918 will not be any guide for the year 1919, because the expenses will be much more in 1919 than they were in 1918. It would be no guide therefore to you after you had got it.

1571. I do not know what use it would be, but you have heard questions from Mr. Ashby, and no doubt other members of the Commission will feel as he is feeling, that only half the story is here—that is, the expenditure—and the other half of the story, which is the income, is not here, and it might be that the Commission would be happy if it had the income. But I am sure the Commission will agree that we cannot ask you to do anything which you regard as unreasonable, but I invite you to do it, and I am sure we should appreciate it very much indeed if you can see your way to do it. But, on the other hand, we cannot go further than that?—You see, Mr. Chairman, everything has been rising in value during the last few years. If you bought an animal at any time during the last few years, it has always been worth more money than you gave for it, so that, of course, the farmer's profits are larger on account of that. Now the view is that probably things are going down, and, therefore, what has been done in war time will not have the slightest influence on the future in the least, and any figures I may give you would be absolutely misleading altogether.

1572. I understand you would rather not give your revenue expenditure and profit and loss accounts of the farm?—Yes, because I think it would be absolutely misleading for what you are out for.

1573. *Mr. Dallas*: In some questions, especially about the efficiency of labour, you will agree that the war time has been a very trying time?—No doubt it has.

1574. Especially in the county of Essex. Owing to the continuous air raids and that sort of thing it must have had a considerable effect upon the workers?—Yes. You think it has made us excitable and tired?

1575. Yes, it gets on people's nerves. You know your own district, and I know it well, too, and the period that they have gone through has not been one during which people would be likely to do their very best?—Yes, I quite agree with you, and I hope it is not going to be a permanent thing.

1576. Would you agree also that there is room for better organisation of labour?—Yes, I think there is. Talking about my own farm, I think I could do better than I am doing. I do not say that farmers generally are not organising well.

1577. We know that you are organising your labour very well, and you say there are rumours of other people also organising their labour well?—I do not flatter myself that I organise it well, but I do the best I can.

1578. Is this disinclination to work overtime that you refer to a general thing?—No, it is not universal at all. In most cases they will work overtime, but in one or two farms they do not appear to want to.

1579. You would not be surprised if I tell you that farmers in your district tell me that in many cases the men are rather anxious to work overtime?—Oh, no; not at all.

1580. A point was raised about a universal rate of pay. A universal rate of pay does not prevent employers from paying men with special skill more money if they want to?—No, but of course farmers cannot help feeling that wages have gone up enormously already, and I am afraid that is the view one must take.

1581. Therefore they themselves make the rate of pay a uniform one by refusing to increase the wages in special cases?—Yes, but the Wages Board have themselves made in uniform. We thought they were going to impose a minimum wage only, and not put a standard wage upon us.

1582. *Mr. Edwards*: I am very interested to hear that you, one of our greatest authorities, seem to favour the principle of the Corn Production Act as a guarantee of the prices of corn as a permanent feature, I suppose, in the agricultural policy of this country?—Certainly, until we get settled down. I do not say it is to be permanent. I think eight years should be the minimum period. Perhaps after that time it will not be necessary, but for eight years I think it would be wise to fix a minimum guaranteed price.

1583. In the fourth sentence of your second paragraph you say: "There is no doubt a wide-spread fear amongst farmers that herein lies their salvation, and they are justified in this by the high price which grass land fetches in the market compared with arable, unless the latter is of very first-rate quality." We would like to know what exactly you mean there? If you have a grass farm, particularly of the poorer description of land, you can sell it at a much higher price if it is grass than if it is arable.

1584. Is that true of the whole country or only of Essex?—It is very true of the heavy land of Essex. It makes all the difference in the world in the case of the heavy land of Essex, and I think you will find it is true generally, except as regards the very best arable land, which is making a very high price.

1585. As to this system of guarantee, we have a double one at the present time. We have the guaranteed prices in the Corn Production Act and we have a set of guarantees for this year only? Yes.

1586. That is a new principle. I should like your view as to whether you think these guarantees have had any effect on the capital value of land?—Not in the least, I think.

1587. In view of the fact that there is such a tendency amongst the farmers to put down land to grass and so forth, and that the whole nation and the Government seem to be in difficulty as to the future agricultural policy, how do you account for the high prices of land which you refer to here?—When I said "not in the least" I meant it does not affect it at all; the landowners have had no advantages from the guarantee at all.

1588. Yes, but a new principle is coming in. You say yourself that this principle of guarantee is new?—Yes, of course, up to a point I think arable land will go down to grass. If it goes down to grass it will be profitable as grass land, whereas it is not profitable as arable at present. That is the difficulty, you see.

1589. In the third sentence of paragraph 6 of your précis you say: "The cost of every item of expenditure has gone up, some very largely and others only to a small extent. The first item is rent, interest on buildings, tithe and land tax. In the Eastern counties, where the tithe is high, it will be increased by 2s. per acre since the war. The cost of landowners' repairs is at least doubled, and in fact at the moment is more than this, so that another 2s. should be added. So as to put the landowner in the same position as in a pre-war period on a rent of £1 an acre, 20 per cent. should be added to it," and so on. This Commission is to deal with the whole country?—Yes.

1590. I presume you are well aware of the fact that thousands and thousands of acres of land are in the market, and have been in the market, and that the large proportion of this land has been purchased by the farmer occupiers?—Yes, that is so.

1591. What effect do you think the tremendous increase in the shape of rent, having regard to the interest on the purchase-money, will have on prices in the future?—I cannot say that they are wise in buying land at the high values of to-day.

1592. Wise or not, I want your opinion, as one of the greatest authorities, as to the effect of that on the future development of the industry?—I think they have a sort of feeling that if the worst comes to the worst they can put the land down to grass. They have also a feeling that the Prime Minister has undertaken to see that agriculture will not go down. He made that statement in the House of Commons in February, 1917, that he would see that agriculture would not go down. The farmers have a sort of feeling that he will see that it does not.

1593. And, therefore, they are prepared to pay the high prices that they are doing at the present time for their farms?—A great many of them do not want to lose their farms; they want to stay where they are, and therefore they have to pay the prices in order to secure them.

1594. Would you be surprised if I gave you a concrete case of a farmer farming 80 acres and paying a rent of £90. This farm has been bought by the farmer for between £5,000 and £6,000, which means, taking the interest on the purchase-money, a rent of something like £250 instead of a rent of £90?—A great many rents were very low before. Rents were reduced very much 30 years ago, and a great many landlords let them remain at the same rent. Many farms were let at much below an economic rent before the war. I think that would account for part of it.

1595. You, a supporter of the guarantee of prices for the farmer, are also aware, I presume, that our land system is one which is not in vogue in any other country—that is, the yearly tenancy. All farmers in this country, or a very large proportion of them, at any rate, are yearly tenants?—That is because they wish to be.

1596. Yes, but that does not matter at all. I am looking at it from the point of view of the industry as an industry? Yes.

1597. Is there not a danger that this guarantee, in view of the fact that the farmer is so insecure, will have practically no effect whatever upon the development of the agriculture of the country?—I do not think that the farmer thought himself insecure, or he would not have insisted upon the yearly tenancy; it is the farmer himself who wished the yearly tenancy.

1598. We are looking at it from the national point of view. We know that the land of this country in past years has only produced about £4 an acre. That was the standard value in pre-war times. In view of the fact that we have a land system which is not in vogue in any other part of the world, I want to know whether, in your opinion, the guarantee of prices will have a different effect upon the development of the industry as compared with countries where all or most of the farmers are themselves the owners of the land?—I should not have thought so myself. I should like to see the farmers own their land in this country.

1599. At present prices?—Whatever is the fair price, I should like to see them owners of their land very much.

1600. You speak here of the prospects of a reasonable return on their capital and for the time and energy they are putting into their business. I presume you are aware that the position of the farmer at the present moment, on account of the sales of land that are taking place, has been very insecure?—Yes, I quite admit it has been very unpleasant for some farmers, but that is the unfortunate position in which we are.

1601. I want to know your opinion as an authority: Do you think that will have any effect upon the future development of the agricultural industry—in keeping the land in cultivation, for instance? Of course, where a farmer is going to have his land sold over his head next year it would prevent him developing his farm to the same extent as he would otherwise do.

1602. *Mr. Green*: With regard to your wheat crop of 1918, you told the Commission that you got five quarters an acre from it?—Yes.

1603. I suppose that was sold at 75s. a quarter?—Yes, or that sort of thing.

1604. That would leave you on the grain alone a profit of four guineas an acre?—It would on these figures, but I have put the threshings and so on, as I have already said, a little too low.

1605. The average profit before the war on farm land was 9s. or 10s. an acre, was it not?—I should be very sorry to farm it at that rate.

1606. That is the figure according to the Costings Committee?—I do not know anything about that Committee. I am afraid it would be ridiculous for a farmer to farm at a profit of only 9s. or 10s. an acre.

1607. Could you give us any idea of what sort of straw you got?—I do not value the straw in these figures, because the cost of rotation is not included. You cannot grow wheat one year after another, and therefore you have occasionally to grow crops that will give you no profit at all. The cost of rotation, I think, would be something over £1.

1608. This, I suppose, would be heavy Essex land—three horse land?—No, not three horse; this would be two horse land.

1609. In paragraph (9) it seems to me a rather extraordinary item that there has only been an extra cost of 5s. 2d. per acre on grass farms?—The figures I have given are based on the estimate of 150 per cent. increase on wages; it is not anything more than that.

1610. What sort of farm is that: is that a milk farm?—No, it is entirely a grazing farm; in the case of a milk farm it would not be anything like that.

1611. If we are to get back to the 1872 standard I suppose we should have to plough up a good many of these heavy and badly drained acres again?—Yes, I think we should.

1612. With regard to piece work, do you not think that the agriculturist would have to be rather a mathematician to work out what he would receive from piece work nowadays, having regard to the existing rates of wages?—Yes, that is one of the difficulties in working piece work.

1613. It is not slackness on the part of the labourer so much as indecision with regard to the price?—I think that is it.

1614. You speak of land rushing back to grass. Could not the agricultural committees stop that? You cannot make a person cultivate land at a loss.

1615. Could not the State take control as they did during the war?—As Chairman of the Executive Committee, we have taken a good many farms in hand and cultivated them, but I am sorry to say we have not done it at a profit—very far from it.

1616. Do you think that the output is more dependent upon the increased efficiency of the farmer than upon the number of hours worked by the labourer?—I quite agree with you that the efficiency of the farmer is a quite important point. One difficulty is to get all the farmers thoroughly efficient.

1617. I took down your words with regard to guaranteed prices. You said just now, in answer to Mr. Anker Simmons I think, that you did not know whether the guaranteed prices would speed the farmer up. You did not agree with him. Your words were: "For some reason or another, I do not know why"?—I did not agree with Mr. Anker Simmons that the higher you put the guarantee, the less you help the farmer up.

1618. You say that everything is rising in value just now. Therefore I suppose the profits would be higher next year than they are this year?—No. We had a very fine crop last year—1918. The seasons affect things very much in agriculture. In 1918 I suppose, in the East of England, and in the South of England also I believe, we had the best crop that we have grown for years, whereas this year we have a very poor outlook in front of us.

1619. Do you agree that there is a conflict between the national interest and the farmer's own profits?—Yes, I think there is, because the farmer's own interest is to put the land down to grass, whereas the national interest is to keep it arable. There is a conflict between them in that way.

1620. *Mr. J. M. Henderson*: This land to which you refer is in Essex?—Yes.

1621. Hatfield Peverel is not very far away, is it?—No.

1622. Does it include any part of the farm at Witham?—These are my brother's farms we are talking about. Some part of it runs nearly into Witham.

1623. My friend here was not quite right in his figures according to me. Taking your 285 acres of wheat, together with your expenses for 1918, it brings out £12 10s. an acre. You said your yield was five quarters to the acre. Does not the best wheat land in Essex give 6 and 7 and 8?—Sometimes an odd field will; but you do not get that taking the average of your farm. You may get 7 quarters occasionally from an odd field.

1624. Five quarters an acre would give you £18 15s. as against £12 10s.?—I thought it was £14 11s. 9d., and not £12 10s. There is £4 profit for 1918, that is all.

1625. I was speaking of the group you put as No. 1.

1626. *The Chairman*: May I point out to you, Mr. Henderson, that group No. 1 is for 3,550 acres. It is the revenue expenses, and it does not include superintendence or interest on capital, and a variety of things of that sort.

1627. *Mr. J. M. Henderson*: £4 an acre on 285 acres is £1,150 profit?—I have no doubt you have done the sum accurately.

1628. You do not see your way to give us your receipts in respect of this group or of this particular farm. I do not blame you for objecting to do it if you do not wish to do it?—I have given you the profit on wheat—£4 an acre. That is what you wanted, is it not?

1629. There are some other things beside that. There is straw and all sorts of things?—I do not think you should put in the straw owing to the cost of rotation and the way we value our manure. We do not value the straw; we put the manure in at 5s. a ton all round. You cannot buy it at anything like that.

1630. Do you not put down anything for bye-products, fruit and so on?—I am afraid not. We have about 5 acres of orchard, but we do not go in for fruit growing.

1631. I am afraid you are rather frightening us with a lot of costs as to the expense of the future, but you do not see your way to give us the actual income in the past, or an estimate of it for the future?—You see, Mr. Henderson, it is like this: I think you may take it that, generally, farmers were not making a large profit before the war. If they had been, there would have been a great rush for farms. This is comparing expenses before the war with expenses as they are to-day, and what they will be in the future, so that I do not see how the income affects you at all.

1632. I want to see the other side of the account. I would not mind my costs going up £1,000 if I was going to make £1,500 by it?—How am I going to make £1,500 by it?

1633. That is what I would like to see?—We admit we have made money during the war when prices have been up, but as soon as they go down we shall begin to lose money. For example, if during the high prices we buy a horse at £50 and sell it for £30 when prices go down again, we are beginning to lose money.

1634. But you have only given us one side of the account, and you have put that in such a form that you say: "There it is; that is the expense." But when we ask you: "What is to come in on the other side," you say: "That does not matter."?—I will tell you with the greatest pleasure when I have done 1919.

1635. It will be too late for our purposes then?—That is what you want to know. It is no use giving you profits for a time when it is of no use to you, it would only be misleading. I am prepared to show you at the end of 1919 what the profits have been. What I say is that the past can have no effect from your point of view.

1636. *Mr. Thomas Henderson*: You are ruling, Sir William, that questions relating to Mr. Strutt's receipts are out of order?

1636a. *The Chairman*: Yes.

1636b. In that case I do not consider it worth while to put any questions.

1637. *Mr. Prosser Jones*: I think you told us it was possible to get more out of the land, and even more out of the land that is at present under the plough?—I did not know that I said that, but it is very likely true. Do you mean we could plough up more land?

1638. No. That we could get more out of what we have already ploughed?—Yes, I think we could produce more out of the land than we are doing to-day.

1639. By what means?—By higher and more expensive cultivation.

1640. You told us, I think, that you could not get the men to take on piece work?—That has been our trouble rather.

1641. Is it your experience that the work performed on the piece-work basis is as efficient as work performed on the day-wage system?—I think it is, on the whole. Sometimes there is an odd man who is not so good, but taking it on the whole, the agricultural labourer is a very honest fellow, and generally does his work well.

1642. Do you know that it is the experience right through the country that people are getting away from piece-work where they possibly can?—I am afraid that is so rather.

1643. Not only people engaged in the agricultural industry, but in other industries also?—I do not know about other industries.

1644. *Mr. Langford*: You said in answer to a question from Mr. Prosser Jones, that in your opinion the land could be made to produce more than it does at the present time?—I think that is possible.

1645. You think that is so?—Yes, I think it could be made more productive if you spent more money upon it.

1646. Do you put that down to the inefficiency of the farmer or to the fault of the system?—To the fault of the system, I should say. I do not say that every farmer is efficient; some farmers are not.

1647. Would you agree with me that one way to improve the system and to enable the farmer to do more with his land would be to give the farmer a better security of tenure?—Personally it has never affected me. I have farmed a good deal of land, and never felt in danger myself.

1648. It has come within your knowledge in connection with the Board of Agriculture, has it not, that a vast number of farmers are receiving very short notice to quit their farms—six months or something of that kind?—I have not heard of any of six months. I thought it was twelve months.

1649. Is it within your knowledge that Earl Beauchamp gave his tenants six months notice to quit and put the farms up for sale?—I heard that Lord Beauchamp had sold his farms, but I did not know that the notice was only six months.

1650. Do you consider that such tenure as that is conducive to a high class of farming and heavy cropping?—No, I do not think it is.

1651. Would you agree with me that if there is a guarantee given, however small it is, it would give greater confidence to the farmer—although there would need to be some legislation to prevent the landlord getting the full benefit of the guarantee?—Of course, under the Corn Production Act there is one now, is there not.

1652. There is a guarantee as to price, but no sufficient guarantee to keep a good tenant farmer on his holding?—A landlord cannot give notice to a tenant to raise his rent on account of anything he has gained from the Corn Production Act, can he?

1653. Is it within your knowledge that many landlords are giving their tenants notice in order to raise rents at the present time?—There are occasional landlords who do it, but I think they are obliged to raise the rents because of their own increased expenses, and I think it is only fair that they should be able to do so—up to a point.

1654. I agree with you. Would you agree with me that the high price which land is fetching in the open market to-day is very largely due to the better prices which have been ruling since the war, and that farmers are compelled to pay high prices for their farms when they are put up for sale over their heads rather than be turned out of them?—I think farmers have undoubtedly made money during the war and want to keep in their farms, and are willing to buy them if they are for sale.

1655. Do you think that the Agricultural Executive Committees, or any Committees that are to replace them, if they have power to turn out a farmer for inefficiently farming his land, ought, on the other hand, to have a right to be able to retain a farmer upon his farm if he is farming it in a high state in the interests of the nation?—You are opening up a very wide question there. It practically means that the land owner is only to be a rent charger if you are going to insist on that.

1656. Does it not affect the position of the whole economic system?—I want to see the farmer the owner of his farm. I want to see as many owners as we can have.

1657. Is it not the fact, if the farmer becomes the owner at the present inflated prices, it will have an important bearing on the cost of production in the future and a tendency to increase prices to the consumer?—I do not think the rental is a very important part of it. The rental of this land here comes to about 9 per cent. of the whole show, including the interest on the buildings and the tithe and everything else—I think, as a matter of fact, the rental only comes to 8½ per cent. in this case.

1658. You are basing that rent, I take it, upon—as you have told us—high-class wheat producing land at an exceptionally low rental of 20s. per acre?—I think it is a little more than 20s. really now; it is about 24s. now.

1659. In any case you would regard it as not an average rental for similar land in the country?—No, I think the rent is rather low. It is good wheat land, but it does not follow that it is good land because it is good wheat land. It is useful land.

1660. You have been asked a great many questions as to why you have not put in a profit and loss account—a balance sheet showing not only the cost of production, but the profit. You have put in a statement showing the expenditure?—Yes.

1661. You have told us that the yield has been five quarters to the acre on this particular farm during the year 1918?—I have given you, in the case of wheat, the receipts as well as the expenses.

1662. The difference between the cost of production and the price at which you sold that wheat would be your net profit?—Yes.

1663. So that it is a very easy matter, in the case of the wheat, to arrive at what your profit was on this farm?—Yes.

1664. Do you fallow much of your land?—Not lately; that is because we have been asked to grow as much wheat as we can. We have put potatoes in.

1665. Therefore there is no expense of fallowing in these figures?—No.

1666. This would not represent your average system of farming?—Before the war perhaps we should have one field 20 acres in fallow, I suppose.

1667. You spoke just now about the inefficiency of labour. I put it to you that that inefficiency which you referred to was not inefficiency on the part of the habitual farm labourer so much as inefficiency on the part of the labourer whom you have had to put up with during the continuance of the war?—That has been so, of course.

1668. You do not anticipate that that inefficiency will continue when the experienced agriculturists are demobilised and return to their work?—There will not be so much inefficiency certainly, but I am afraid we are not getting quite the same amount of work out of our people as we did before the war, but I think that in the future we shall not get the present inefficiency.

1669. Do you believe in the farmer doing everything in his power to improve his methods of cultivation?—Certainly.

1670. You have had great experience with regard to dairying, have you not?—Yes.

1671. Am I correct in saying that you have gone in for milk recording for many years past?—Yes.

1672. Your object being to eradicate the more or less unremunerative cows?—Yes.

1673. Would it be fair to suggest that you have now reached a very high standard of milk production?—I am afraid my standard is not so high as I should like to see it. Since the war it has gone down. Up to the time of the war it had improved very much.

1674. I put it to you that milk production could be very considerably cheapened by carefully recording the milk and eradicating the unproductive cows?—I should think it would, and it would certainly be a wise thing to do.

1675. Do you think there is a likelihood of a reasonable profit coming from specialised farming in future?—What do you mean by specialised farming?

1676. Keeping pedigree cows, for example, instead of non-pedigree cows?—Yes, but that is a very small thing compared with the whole of the industry.

1677. At any rate, that might be done on a much larger scale than it is at the present time?—If it was, it might not pay so well, you know.

1678. Do you think that the Board of Agriculture when it is re-constituted might very considerably assist the farmer by setting up experimental stations and demonstrating, and so on?—I think something could be done in that way. It would be some help, but I do not look to that as making much difference between profit and loss in farming operations. It will help the thing no doubt.

1679. May I ask you to what you do look to improve farming in the future?—I look to better organisation.

1680. You have said in your précis of evidence in sentence 9, paragraph (7) that the farmer must use more artificial manures?—Yes, I think so, and a great many other people think so also.

1681. More efficient organisation, better account keeping, better railway transit, better organisation in buying and selling, and the abolition of middlemen's profits, would all be steps in the direction of the improvement of the industry in the future?—Yes.

1682. If the farmer is to use more artificial manures, the compensation to the farmer for unexhausted improvements and manures will have to be revised?—I think there is no doubt the farmer ought to have whatever he is entitled to for unexhausted manures. I do not know what the present rule is.

1683. May I ask you how many working horses you keep to the hundred acres?—I profess to keep four, but I think I sometimes keep a few more. I have some tractors now, but I still keep four horses.

1684. On the basis of four horses to the hundred acres, do you think you have put down sufficient to cover horse labour in the future?—To tell you the real truth I do not think I have, but if you are going to use more tractors and things of that sort, I do not know. I have not put down too much; I have put it on the low side rather than the high side. I am not taking the cost this year of course.

1685. *Mr. Leonard*: In your evidence-in-chief, which I regret I have not yet had time to examine as thoroughly as I should have liked, I gather your method is to take the pre-war cost of certain farms, and then to allow a percentage of increase on that?—Yes; I thought that was the best way of doing it. Can you tell me a better.

1686. No. I was not quarrelling with your method. I was only wanting to ask you whether you would agree that that would not allow for any increased cost on newly ploughed arable land?—No; that would be quite right.

1687. Can you give us any idea of the difference in cost of production of the poorest quality of the old arable land as compared with the poorest quality of arable land put under the plough during the war? When I speak of the poorest quality of the new arable land I meant the poorest quality which you would consider it desirable to keep tilled—that is, ruling out cases where mistakes have been made in ploughing up quite unsuitable land?—I think, on the whole, land that has been down to grass for 30 or 40 years would be less expensive to cultivate than equally poor land which has always been arable. I think it would be less expensive after you got over the initial work; I think there would be less weeds.

1688. That might continue for some time?—Yes, that might continue for three or four years. I may say I think, on the whole, the land I have ploughed up has paid me.

1689. You spoke of a decline in the efficiency of agricultural labour. Have you noticed any change in the efficiency of the agricultural labourer in the case of the return of demobilised soldiers who were formerly agricultural labourers? You would expect during the war that among the older men who would necessarily be employed that there would be more inefficiency?—The demobilised soldiers have been working splendidly on the whole, but I do not think we get quite the same amount of work that we used to get in times past. I suppose they are just like I say of myself, tired. I am tired, and they are tired, I suppose, and everybody is tired.

1690. It is a matter of common experience, is it not, that the demobilised soldier, although after he has been back at work for six months he may be an excellent workman, is often for the first six months or so inclined to take things a bit slack?—Yes. What we find about him is after he has been at work for some time he is inclined to take a day off now and then—at least, that is what I am informed by my bailiffs.

1691. That is a temporary phase, you think?—Yes.

1692. Do you think there is much room for piece work in the agricultural industry?—Yes, I think it is the essence of it. If we do not have piece work I am afraid we shall go back to grass. If you do not have piece work there is a tendency for the standard of efficiency to decline. The smallholder as a general rule is the person who maintains the standard of efficiency.

1693. I should like to know your opinion about the feasibility of the extension of piece work with a minimum time rate basis—a man to work on piece rates which would give him an opportunity of earning more than the minimum time rate, while at the same time being guaranteed the minimum time rate?—That might be done, I think, but I think he ought to take it as it is and make the best of it on the whole.

1694. Do you agree that fixing minimum piece work rates would be a difficult matter?—Yes; one field will hoe quite well when it is in a certain state of friability, and another time it will cost perhaps double as much to hoe it. I think every farmer will feel that.

1695. Would you agree that the efficiency of a labourer to his employer depends not only on the physical and moral qualities of the man, but also on the direction he receives from his employer?—Oh, yes.

1696. Would you agree that on many farms there is considerable room for improvement in this respect? Mr. John Orr in his book on agriculture in Oxfordshire thinks that farmers in Oxfordshire at least pay far less attention to the problem of efficient labour direction than they do, for instance, to the problem of manuring the land. Do you think that applies to other parts of the country as well as to Oxfordshire?—Yes; I think that better organisation is the best chance we have of keeping wages up and of higher cultivation.

1697. In that part of Oxfordshire with which I am acquainted, it is considered a good day's work to plough half or three-quarters of an acre. I have been told that this is not the fault of the man but of the horses. Do you think that it is often the case that men are prevented from doing as efficiently as they might otherwise do because of the poor quality of the horses and machinery, and so forth, on the farm?—There is no doubt if a man has poor horses he gets into slow ways and goes the pace of his horses. No doubt some farms have poorer horses than others.

I do not say it is common, but some of the smaller farmers have horses that are not quite as good as you find in other cases.

1698. Any increased efficiency in labour would tend to lessen the cost of production?—Yes.

1699. Would you agree that the cost of production would be less on a farm of 1,000 acres than on a farm of 300 acres?—No, I cannot see why that should be so. Of course, the man who manages 1,000 acres is probably a more skilful man than a man who manages 300, but beyond that I do not see why it should be so.

1700. It would be possible to have more scope in the way of a ladder of promotion, and so forth, on the larger farms than on the small ones?—Yes; it might be that on the larger farms you have a better position of offering prospects to your men to induce them to try and progress and get on in the world.

1701. You spoke of the danger of the less efficient agricultural labourer being out of employment. You are aware that a good many men have been dismissed since the recent increase in the minimum wage?—I have not come across it myself, but I have been told of it.

1702. Do you consider that those dismissals were economically necessary, or was there in the movement an element of demonstration against the legislation?—There are some odd people no doubt who acted in that way.

1703. Would you say from what you have heard that it is the older men who are often dismissed?—Yes, I think it is so sometimes.

1704. Do you think the situation would be eased if men over a certain age were exempted from the operation of the Minimum Wages Act?—I think it might be a good way of meeting the difficulty.

1705. Can you suggest any age?—That is rather a difficult question. Perhaps 65 might do, but some men are so much better than others at 65. It is so difficult to say.

1706. Taking a rough average would you say 65?—Yes, I should think 65.

1707. You spoke just now of a Saturday half-holiday involving a greater loss to the farmers than appeared, because their horses have to stand idle?—Yes.

1708. Is that in any way peculiar to agriculture? In the large engineering and shipbuilding and other establishments does not the Saturday half-holiday involve their machinery standing idle?—Yes, but when you are comparing the cost at the present time with the cost before the war, you have to bear in mind that it did not happen before the war.

1709. You spoke of a 60s. guarantee for wheat and a proportionate price for oats. If I remember rightly, the President of the Board in introducing the Corn Production Bill said that the prices guaranteed gave a preference to oats as compared with wheat. Do you suggest that that preference should be continued?—Yes, but I do not think a Scotsman would admit that.

Mr. Edwards: Or a Welshman either.

1710. *Mr. Leonard*: I understood you to say in answer to Mr. Ashby that an increase in profits since the war means little because the amount of the farmer's capital in his farm has increased. An increase in the value of a man's capital is *prima facie* a gain to him, is it not?—Yes, it is, but that is the part of his profits during the war which we have talked about so much—an increase of his capital. That is part of his profits which make his profits appear big, but it will go down again directly.

1711. You spoke of the minimum rate of wages having become a standard rate, which was not what was intended by the Corn Production Act. Is it not the fact that the Corn Production Act contemplated the setting up of a minimum wage by which a man and his family would be enabled to live decently?—I should think that is true.

1712. You would not suggest that a lower minimum than the one now in operation would at present prices enable a man and his family to live decently, would you?—Of course, it is rather difficult to say that. When the Corn Production Act was brought in, 25s. was the rate put in, was it not?—That was considered by a great many people to be a very high rate at the time. I believe certain people thought that it ought to be 30s. I believe some of the Labour Party thought that it ought to be 30s., and asked that it should be so. Therefore I presume they were of opinion that 30s. was the utmost it was necessary to have then. At the time the Corn Production Act was under discussion and the 30s. was mentioned, wheat was selling at 90s. a quarter and the loaf was 11d. to 1s.—it is now 9d., and I think meat was pretty well as dear as it is to-day. I think the agricultural labourer on the whole would have been as badly off because prices were ruling very much against him then as they are to-day, except perhaps in the case of clothes and boots.

1713. Have you considered the Report of the Wages Board as to the cost of living in the case of agricultural labourers?—I have only just glanced at it. Would that be over the spring of 1917? Bread was 1s. a loaf, I think, at that time, and it now is 9d.

1714. That Report goes into full particulars up to the beginning of this year, if I remember rightly?—I think if you take the spring of 1917—March—bread was 1s. a loaf, and—you know the agricultural labourer very well—bread is a considerable item in his expenditure; and I think the food which he uses was certainly quite as dear then as it is now, with, as I say, the exception of clothes and boots, which were not so dear.

1715. There would be, of course, a lesser number in many of the homes because some members of the family would be in the Army?—Yes, that is so. I should have thought that if 30s. would have been a fair rate to put for the minimum according to what people thought then, it is as good a rate as it would be now. The cost now is not any more, is it?

1716. You would maintain that the present minimum is sufficient?—I would not like to say that. I only say that 30s. was considered the utmost then, and if that is so, it would be a reasonable rate now. I would not like to mention a minimum rate for the agricultural labourer, but I should have thought myself that 30s. would be a good deal better for him than his old wage, because the agricultural labourer has his garden, and he appears to be well off now, compared with what he used to be. I do not grudge it him in the least, but I think that is the fact, that he is much better off now.

1717. If I might turn back to the question of guaranteed price for the moment, do you think there is any danger, if farmers were guaranteed 60s., that it might create an impression that those best able to form an opinion considered that world prices would fall in the near future. In other words, might not security be dearly bought at the price of diminished hope?—I do not think that is the attitude the farmer would take.

1718. It has occurred to me that the falling guarantees of the Corn Production Act might have made farmers more pessimistic with regard to the future than otherwise?—It may possibly be so, but I think the 60s. would give the farmer the feeling that it would at any rate prevent him from going to ruin if things went to the bad. It would not make his fortune, but it would prevent him being ruined if prices fell to the minimum.

1719. Do not the high prices farmers are paying for their farms when they are put up for sale indicate that farmers as a body have a fairly substantial hope that profits will continue to be large?—I think the reason is that the farmers have been on a rising market for the last five years, and that anybody who has been in business on a rising market has been successful and is a hopeful person, and will buy his farm even at a high price, hoping that it will be all right in the future; and another reason is that he does not want to leave his home.

1720. That would diminish the need for a guarantee would it not?—Yes; but the point is he would put his land down to grass unless he has a guarantee. If

you want to prevent him putting his land down to grass, you must give him a guarantee. If you are content to allow him to put his land down to grass, the farmer will not ask you for a guarantee at all. The guarantee is not for the sake of the farmer, but for the sake of keeping the land arable and keeping a population on the land. That was the idea in the Report I signed.

1721. *Mr. Nicholls*: I want to ask you about this guarantee of £3 a quarter, and whether you have discovered what really is in the mind of the farmer. If he gets his guarantee of £3 from the Government, do you think he would be willing for the Government in the interests of the public to claim his corn at the price at which they guaranteed it?—No; I think that would be the minimum, and the farmer would get the market price, whatever it was, above the minimum.

1722. The farmer wants help to prevent the price of wheat falling below 60s., but if it goes up to £5 a quarter or more, he wants the whole of the profit?—He would want the present price at all events, but the object of it is to give him a sort of security.

1723. Have you thought whether it would be an advantage, rather than let the land go back to grass, to grow more lucerne and other things for stock purposes?—I think that is quite a good suggestion.

1724. The poorer land would grow good lucerne?—If you had asked me that question four or five years ago I should have said that was a good thing and that it ought to be done, but the last two winters have shaken my faith in lucerne. It has been killed off by the weather of the last two winters; but if lucerne were grown for six or seven years and then the land was ploughed up for a year or two, I think it would be a very good suggestion.

1725. And further drainage?—Yes, but drainage, of course, is a very expensive thing just now.

1726. Do you think co-operation among the farmers would be a great lever in the way of helping them towards cheapening the cost of production?—It is going to be a help, but it is not going to make all the difference, I think.

1727. *Mr. Parker*: You say in your evidence-in-chief that the farmer should have prospects of a reasonable return on his capital, and so on, to induce him to put more energy and enterprise into his business?—Yes.

1728. I think I understood you to say that you charged your own capital account with 5 per cent.?—Yes.

1729. Do you consider that a sufficient rate of interest to charge on capital employed in such a risky business as farming?—No; I should want a very much bigger interest than that.

1730. What would you consider a fair rate of interest for the risk run?—At present as I think you know, a great many preference stocks have been issued at 7 per cent. on first rate securities as far as one can see, and I think any farmer would want at least double that.

1731. Would you consider 10 per cent. an unfair rate of interest to look for in such a risky business?—I hardly think that 10 per cent. would be enough to tempt a capitalist. 10 per cent. would be the minimum. As I say I think it ought to be double the 7 per cent.

1732. You think it ought to be more like 15, we will say to tempt the capitalist?—Yes.

1733. With regard to the time and energy farmers put into their business, what return would you give them—what do you put that at. In your account you put superintendence at 10s. an acre?—Roughly, that is a round figure which I should put it at. It is rather lower than some people put it at. On a small farm it would be too small, but on a large farm it is about right.

1734. The farmer in your opinion is entitled to look for a return of from 10 to 15 per cent. interest on his capital and 10s. an acre for his superintendence?—Yes.

1735. I am not trying to get the receipts side of your account, but you say the profit per acre on your wheat was £4 in 1918?—Yes.

1736. And you got 5 quarters per acre?—Yes.

1737. Are your returns at all comparable with the returns obtained by your neighbours, do you know, and with the returns generally throughout Essex?—The year 1918 that we are talking about was a very good season in Essex, one of the best seasons we have had for years, and there was no doubt a good crop of grain, but I do not think the average would be above four quarters.

1738. Would it average 3½ do you think?—I think that last year it might have averaged four quarters.

1739. In Essex as a rule would you consider 3½ quarters to the acre good?—Yes, if you take the very heavy land of Essex.

1740. If 3½ is a good general average it would bring the profit down from £4 an acre to a loss of £2 16s. 0d.?—Yes. Of course, part of the expenses are higher; the threshing is higher in a good crop.

1741. Compared with the general class of farming throughout Essex, your farm is very highly farmed on very scientific principles?—I do not know about it being very highly farmed. A great many people farm quite as well as we do and better; still I think it is decently farmed, although I am not proud of it at the present moment.

1742. You get a much better return from your farm than is the case generally throughout Essex, or even throughout England?—I think we ought to get a very good return from our farm; I think that we are ourselves to blame if we do not.

1743. You said the profit per acre of wheat on your farm was £4. You have also told us that owing to excessive cropping the quality of your land has deteriorated, and that it will cost something like £5 an acre to get it back into its pre-war condition?—Yes, I think it will.

1744. Is it fair to say that the £4 an acre profit that you made was really made out of your own capital by letting the land down?—You might put some of it down to that; not the whole of it. It has been gradually going back the last 4 or 5 years; no doubt part of it went back in 1918.

1745. No doubt a great portion of the £4 profit will be wanted to put the land back into its former condition?—Yes. I say it will cost about £5 an acre, but of course that does not come off all in one year; it will come off over a course of three or four years.

1746. Owing to the war you did not fallow any land?—No, but it is not 3 horse land; we do not feed turnips on the land for sheep. We generally have one field fallow, not much. We grow some tares, or something of that sort, for the cows.

1747. If it were fallowed you would be entitled to throw some of the cost of the fallowing on the wheat crop?—Yes: undoubtedly you must allow something for that; we grow a good many roots you see.

1748. What would you put the cost of that at?—Between £20 and £30 an acre.

1749. *Mr. Robbins*: May we take it that you adhere generally to the Report over your signature to the Reconstruction Committee?—Yes.

1750. With regard to the Report of the Milner Committee you say it is necessary to import foodstuffs very largely from abroad. Do you think that the reduction we have effected in the importation of cereals is as far as we can go, or do you think that we can do better than that?—Yes, I think it is possible we can do better than that.

1751. *Mr. Smith*: You state in paragraph 4 of your *précis* that the situation is very complicated owing to the shortness of labour?—Yes; owing to the very wet seasons and the shortness of labour, the land has got out of order; that is one of the reasons.

1752. I suppose you have been working during the last few years very short-handed as regards labour?—Yes. In 1918 we were very short-handed indeed, and we have not spent the money on the land that we ought to have spent.

1753. To what extent do you think you were short of your 1912-13 standard of labour?—I have not gone into it from that point of view.

1754. You would be considerably down?—Yes.

1755. The mere fact that your land is in a very bad state now would show that your pre-war standard of labour was considerably higher?—Yes, we were very short of labour indeed.

1756. You state that the pre-war wages were 15s. a week in Essex?—That was the minimum wage. The men used to earn roughly about a guinea a week in those days.

1757. The Corn Production Act came into operation in August, 1917, did it not?—The Bill was passed in August, 1917, and the 25s. came into force then, I think.

1758. Yes, and the increase of wages passed by the Wages Board, which I believe was 32s. for Essex, came into operation about June, 1918?—I do not remember the exact time; you probably know better than I do.

1759. I think it is fair to assume that for 9 months of the year the minimum wage was 25s. a week, and for the last 3 months of the year it was 32s.?—Yes, probably that is so.

1760. That is an average of 26s. 9d. for the year?—You have worked it out no doubt, and I accept it from you.

1761. In your figures for Labour Cost in Table 1 you show that the average of the 3 years 1912, 1913, and 1914 was £9,528, and that it was £16,440 in 1918. That is an increase of 90 per cent., is it not?—If you say so I will take your word for it; I have not worked it out. I do not think it is 90 per cent. quite. I have not paid any attention to the percentages with regard to 1918, because I only put in 1918 for your information, and nothing else.

1762. I understand that these are actual figures?—Yes.

1763. I was just wanting to point out that the average wage of 26s. 9d. for 1918 as compared with the average pre-war wage of 15s. is only an increase of 80 per cent. for labour?—Yes.

1764. Your figures show an increase of rather more than that on a considerably reduced amount of labour employed?—I see what you mean. Of course it was inefficiency of the labour perhaps, as well as the numbers.

1765. I understand you to say that the amount of labour employed in 1918 was considerably less?—It was less in efficiency, and I think less in numbers also. We had some soldiers who were not very efficient, and we had a lot of women too.

1766. It seems rather strange that on a smaller amount of labour employed, the increase in your labour bill should be 10 per cent. more than the actual increase in wages, even assuming that the full number had been employed?—Is it right about the 90 per cent.? Have you worked it out? Is it 10 per cent. more?

1767. I am taking your No. 1 Table?—Is £16,440 an increase of 90 per cent. on £9,528.

1768. *Mr. Ashby*: 72 per cent?—Yes, it is only 72 per cent.; it is not 90 per cent.; I thought you must be wrong about that.

1769. *Mr. Smith*: I am sorry my figure was wrong. Still, the wages bill would be rather high if the amount of labour was considerably reduced?—I really think the reason was that a great many women were employed. They were splendid people and gave us a tremendous lot of help, but for all that they were not cheap labour I am afraid.

1770. I notice in your figures you have a considerable item for manures?—Yes.

1771. What proportion of those would be artificial?—Nearly the whole.

1772. Do you produce no manure on your farms?—Whatever is produced it is not booked. The only difference the actual amount would make in the accounts would be the difference between what there was one year and what there was another, so that practically you may take it that the manure produced on the farms would not affect the accounts at all.

1773. You would not allow for any increase in manures produced on the farms?—No, I think not. I think you may take it that these figures are for artificial manures as nearly as possible.

1774. In regard to your figures of the cost of producing your 1918 wheat crop, your figures show a total cost of £14 11s. 9d. per acre?—Yes.

1775. You have just admitted in reply to a question of Mr. Parker's that 3½ quarters per acre would be about an average crop?—It would not be an average crop for me, but for the heavy land of Essex I should say that would be about right.

1776. In suggesting a guaranteed price of 60s. a quarter you have put a figure at which in your opinion the farmer would be guaranteed against loss?—Yes, I hope so.

1777. Not in order that he should reap an advantage from the guaranteed price, but that 60s. represents a point at which the farmer would feel that he would not make any loss?—Yes; so that he could keep going.

1778. 3½ quarters at 60s. would be 10 guineas, would it not?—Yes. That would not enable him to do it on very heavy three or four horse land, but as I have said in my evidence, if you will read it, I consider that such land is doomed.

1779. These figures, therefore, have not much significance so far as the future of the land is concerned?—These figures would not save the three or four horse heavy land.

1780. You mentioned something in your evidence about the trouble with labour. What did you mean by that?—Of course, there are a lot of little disputes going on now which did not take place before—there is no doubt about it—and it is a matter of anxiety to the farmer and worries him.

1781. Did you include shortage of labour as one of your labour troubles?—In the past few years that has been one of our troubles; I do not know whether it is going to be so in the future.

1782. Is there a shortage at the present time?—In some places they are very short, and in other places they have got quite enough.

1783. If farmers in some districts state that they can get more labour than they require for harvesting would that in any way destroy the fact that there is a shortage in other districts?—There are some places where there is a preponderance of labour, and there are other places where there is a great scarcity. Where I live we have enough labour, and we shall have enough for the harvest.

1784. I take it that your idea in submitting this evidence is to give us some idea upon which to base a conclusion as to what the future of the agricultural industry is likely to be?—Yes, I thought it would give you the expenses of those average years, and what the similar expenses will be in the future as far as one can see according to the rise in prices. That seemed to me as reasonable a way of settling the thing as you could adopt.

1785. If anybody happened to send you a prospectus of a business and asked you to invest in it, and they only submitted accounts to you showing what their expenses were, but not their receipts, would you pay much attention to it?—I think you must realise that what has been done in the last four or five years is absolutely no test for the future in the slightest degree. I hope you will understand that. If you do not, you will go wrong in a hopeless degree.

1786. I am sure we do want to understand, and that is just my point of difficulty. My difficulty in properly understanding arises from the fact that you have only given us one set of figures, and therefore I am not in a position to judge properly as to

how the other set of figures may affect the actual state of the industry itself?—Would you say that the profits of farming before the war were unreasonable?

1787. I do not know; we have no figures?—I know you have not, but you have the general opinion that no one wanted a farm much, did they?

1788. As a member of the Commission I am anxious for information which will guide me on that point?—If you will wait until I have finished this year you shall have it.

1789. The Government cannot wait until then. I take it you agree, as a general proposition, that the value of one set of figures cannot be accepted as satisfactory unless the figures on the other side are available also?—In a general way of a prospectus you would say so, but in the case of farming everyone knows that farmers were not making big profits before the war, and these are the expenses at the present day.

1790. You say that better organisation is needed in the industry. Do you think that the industry would be helped by a better system of transport?—I am rather afraid that the transport is going to be more expensive to us in the future instead of less; it looks to me as if the railway rates are going to be higher. Motor transport or light railways might help us.

1791. My point was rather as to whether the existing facilities for transport are as good as they might be from the point of view of the industry?—No, I do not think they are.

1792. Some improvement in that direction might help?—Yes.

1793. *The Chairman*: You said you would recommend that the Government should give a guarantee for not less than 8 years?—Yes.

1794. Had you any particular basis in your mind for putting it at 8 years?—Yes. I would say 8 years because it would allow for a sort of two-course period in farming. I do not, of course, say that 8 years is the only possible thing that would do, but I think to make things reasonably safe you ought to make it 8 years.

1795. Three or four years would not be sufficient in your opinion?—No, I do not think that would be sufficient, although of course it would be better than nothing at all.

1796. Would you think that farmers would keep their land in cultivation if they were guaranteed a minimum price for 3 or 4 years from now?—Three years is the period taken in the Corn Production Act, is it not?

1797. I am putting 3 or 4 years to you as an experienced gentleman, and I should like to hear what your opinion is with regard to that period?—At the time of the Corn Production Act it was suggested that certainly 2 years before the end of the period they would give the farmers notice if they did not intend to continue it. That was the idea which was brought forward at the time, so that farmers should have ample notice with regard to it. Speaking for myself I do not think 3 or 4 years would be sufficient. It would help to a certain extent, but I think it ought to be longer.

1798. Looking at your table showing the cost of production of wheat, I observe you have an item for horse cultivation. Does that include implements?—Yes, all the implements the horses use.

1799. No other implements?—No, it does not include any other implements.

1800. There may be other implements used in your particular farm that ought to come in as part of the cost. Is that so?—I should think there might be one or two implements, such as a dressing machine, which has not been put in.

1801. Do you employ steam at all?—Yes, but that would be charged for under the steam ploughing.

1802. So that this table includes practically all the costs?—Yes; as I say, there might be a little to be added, but it would not be anything very big.

1803. You say you do not charge anything for manures produced on the farm, as it is a more or less constant quantity?—It is more or less a constant quantity.

1804. It is, in fact, debited in this account, is it not?—No, it is not, because supposing there was more used one year there would be a debit, and supposing there was less used another year there would be a credit. Supposing it was £1,000 one year and £1,200 the next, the £200 would be a credit, and if it was only £800 there would be a debit.

1805. I am not quite sure whether by that means you get a proper cost account?—On the growing of wheat per acre the manure is charged. I thought you were talking about the whole of these accounts.

1806. No; I am referring to your account with regard to the 1918 wheat crop on 285½ acres?—The manure in that account is charged at 5s. a load.

1807. What do you credit in that account to the horses and what to the cows?—I credit some of it to the cows and I credit a little bit for the straw. I pay for a certain amount of straw and take into account the expense of fallowing, which I do not allow for in rotation.

1808. Do you consider that this estimated cost takes everything into account that ought to be taken into account in wheat growing?—I think it fairly takes everything into account except, as I say, it is too low rather. It does not take draining in, for example. We did no draining in 1918. We have to drain our land at intervals, but we did not do any draining in 1918, and the land therefore is getting wetter.

1809. Something ought to be put in for the reserved expenditure to keep your land absolutely up to proper condition?—Yes.

1810. How much would that be?—Not very much—5s. an acre, not more.

1811. If we were to add 5s. an acre for that, this is a fair statement in your judgment of what the cost would be of growing wheat on good land?—No, I do not say to-day; I am speaking of 1918.

1812. For the year 1918 this represents a fair statement of cost, subject to adding 5s. an acre for draining, of what the cost was of growing wheat on good land?—Except one thing. I told you that the threshing was not enough. We fixed the price of threshing very early in the season—in September, 1917—and we found it was costing a great deal more than we expected. I should put on another 5s. in respect of that.

1813. That is 10s. an acre that has to be added to your statement of cost?—Yes.

1814. You have already said that your expenditure on hand labour was unduly large?—It was.

1815. Can you say what would be a fair representative cost of that, and would that involve deducting anything?—I do not think that it will cost so much this year.

1816. The answer to my question is that, adding the 10s. you have spoken of on to the cost, it brings up the cost to £13 16s. 9d. per acre, to which you have to add superintendence, 10s., and interest on capital, 15s. an acre?—Yes.

1817. Making a total of £15 1s. 9d. per acre?—Yes.

1818. That is the position?—Yes.

(*The Witness withdrew.*)

Dr. E. J. RUSSELL (Director of the Rothamsted Experimental Station), called and examined.

Evidence-in-chief handed in by witness.

"The cost of growing crops on the farm of the Rothamsted Experimental Station":

(1) The actual money expended on each crop has been as follows:

	1913–14	1914–15	1915–16	1916–17	1917–18	Estimated 1918–19
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Wheat	5 6 11	5 17 8	8 9 0	9 9 6	10 14 8	14 0 0
Oats	6 3 11	5 18 7	7 18 1	8 6 6	9 7 10	12 0 0 *
Barley	6 3 2	6 15 0	8 14* 4	9 15 8	11 19 3	15 0 0
Roots	17 10 1	14 4 10	—	22 10 9	29 18 3	40 0 0
Potatoes	21 1 1	18 4 5	24 6 7	34 15 3	57 11 6	55 0 0
Grass for Hay	3 12 2	—	—	4 12 2	—	6 0 0
" " Grazing	—	2 14 11	2 16 9	—	2 4 0	2 10 0
Clover	4 8 3	5 17 8	5 1 1	5 5 6	5 11 11	6 0 0
Greens	13 19 10	13 12 0	18 13 5	Not grown.	Not grown.	Not grown.

* Corrected figures.

2. The cost of growing each crop cannot be definitely stated, because it is necessary to take into account the initial and the final states of the land. This cannot be done precisely. It is legitimate to charge some of the expenditure on the roots to the succeeding corn crops, probably 15 per cent. would be a fair figure. Assuming wheat followed the roots and bore the whole charge the costs would become:—

	1913–14	1914–15	1915–16	1916–17	1917–18	Estimated 1918–19
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Wheat	7 19 6*	8 9 2	7 19 5	12 2 0*	14 1 9	18 9 9
Roots	14 17 6	12 2 1	—	19 3 3	25 8 3	34 0 0

* Assuming cost of Roots in 1912–13 and 1915–16 to have been £17 10*s.* 0*d.* per acre.

3. The increased expenditure on the crops has been due to increases in cost of:—

Labour. Seed.
Horse Food. Manure.

The expenditure on labour has been as follows:—

Labour Costs per Acre and per Annum.

	1913–14.	1914–15.	1915–16.	1916–17.	1917–18.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Wheat	1 13 0	1 16 5	2 11 0	2 18 10	3 19 8
Oats	1 16 1	1 17 2	2 9 11	2 8 7	2 10 5
Barley	1 14 9	2 13 10	2 12 0	2 18 9	4 7 10
Roots	8 7 10	6 19 4	—	8 13 11	13 5 6
Potatoes	7 10 0	7 14 8	8 16 6	10 13 2	15 6 9
Grass for Hay	0 14 4	—	—	1 4 1	—
" " Grazing	—	0 9 10	0 1 4	—	0 1 0
Clover	0 16 1	1 10 6	1 11 7	1 1 10*	0 19 3*
Greens	6 6 2	4 14 8	8 12 2	—	—

* Side rake used.

4. The expenditure on labour has increased rather more than the average rate of weekly wage, indicating a falling off in the efficiency of labour. The wages have been:—

	1913–14.	1914–15.	1915–16.	1916–17.	1917–18.	Estimated 1918–19.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Total spent in wages during year.	422 5 6	395 14 7	525 17 5	683 12 8	930 10 6	855 0 0†
Standard Weekly Wage Horseman.	0 18 0	0 21 0	0 23 6	0 25 6	0 29 3	2 1 3
Standard Weekly Wage Labourer.	0 16 0	0 19 0	0 21 6	0 23 6	0 26 3	1 15 3
Standard Number of Hours Weekly.	57	57	57	57	57	48 & 54
Standard Hour Rate, pence	0 0 3·4	0 0 4·0	0 0 4·5	0 0 5·0	0 0 5·5	0 0 8·1
Total "man hours"*	29,800	25,720	28,640	32,810	40,600	25,333

* Women and children calculated to equivalent in men.
† Brought about of reducing acreage of potatoes and roots and amount of hand weeding of corn.

5. The falling off in efficiency is most obvious among the less skilled workers, but there appears to be a reduced efficiency among the skilled workers also as shown by the number of horse hours worked in the field:—

Hours of Horse Labour in Field per Acre per Annum.

	1913-14.	1914-15.	1915-16.	1916-17.	1917-18.
	Hours.	Hours.	Hours.	Hours.	Hours.
Wheat	32	32	42	40	35
Oats	29	26	39	30	33
Barley	43	48	44	46	51
Roots	122	75	—	102	152
Potatoes	135	78	147	109	148
Grass	11	—	3	15	3
Clover	14	26	28	17	17
Greens	114	84	56	—	—

The general falling off is more marked. It is shown in the steady increase in number of "man-hours" needed to carry on the farm from about 29,800* to more than 40,600*, the farm meanwhile not having improved, but possibly the reverse.

It is further shown by the number of "man-hours" worked at each crop.

* Corrected figures.

"Man-hours" put into each crop (women and children reduced to men by calculation from hourly rate).

	1913-14.	1914-15.	1915-16.	1916-17.	1917-18.	1918-19.
	Hours.	Hours.	Hours.	Hours.	Hours.	Hours.
Wheat	116	109	136	141	175	—
Oats	127	111	133	116	110	—
Barley	120	161	139	141	173	—
Roots	592	418	—	417	579	—
Potatoes	530	464	471	511	670	—
Clover	57	91	84	52	42	—
	d.	*d.*	*d.*	*d.*	*d.*	*d.*
Hourly rate of wages	3·4	4·0	4·5	5·0	5·5	8·1

6. *The Returns Obtained.*—The yields obtained per acre fluctuate considerably with the season; they have been:—

	1913-14.	1914-15.	1915-16.	1916-17.	1917-18.
Wheat, Bushels	25·8	34·2	37·5	13·3	38·3
Potatoes, Tons	6·7	5·9	3·5	4·5	5·0

This fluctuation from causes beyond human control upsets all attempts at calculations of output per man such as are made for other industries. An estimate could be made only after consideration of a large number of results.

7. *The Financial Returns.*—These depend on two causes, both partly beyond the farmers control, *viz.*, yield per acre and market price. The figures have been:—

	1913-14.	1914-15.	1915-16.	1916-17.	1917-18.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Wheat	7 2 9	11 11 0	18 0 1	6 12 8	18 0 0*
Oats	8 0 11	6 3 1	9 19 9	9 11 0	12 0 0*
Barley	6 6 6	11 12 4	18 9 4	13 9 6	11 0 0*
Roots	10 10 10	8 0 0	—	21 16 3	19 12 5
Potatoes	23 7 0	20 3 8	33 4 5	28 6 8	35 13 10
Clover	5 2 5	5 8 4	10 3 4	3 0 0	—
Greens	10 7 9	5 11 0	13 2 7	Not grown	Not grown
Grass Hay	2 14 7	—	—	4 9 9	—
„ Grazing	—	—	—	—	3 0 0

* Some straw still unsold.

8. The following are the cash balances given by each crop. These balances have to furnish the remuneration for the farmer, interest on his working capital, and contingency fund to meet any event not covered by the ordinary insurance and depreciations:

Net Balance of Receipts over Expenditure. (Cash only.)

	1913-14.	1914-15.	1915-16.	1916-17.	1917-18.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Wheat	1 15 10	5 13 4	9 11 1	(2 16 10)	7 5 9 (1)
Oats	0 3 4	0 4 6	2 1 8	1 4 6	2 12 2 (1)
Barley	1 17 0	4 17 4	9 15 0	3 13 10	(0 19 3)(1)
Roots	(6 19 3)	(6 4 10)	—	(0 14 6)	(10 5 10)
Potatoes	2 5 11	1 19 3	8 17 10	(6 8 7)	(1 17 8)
Greens	(3 12 1)	(8 1 0)	(5 10 10)	—	—
Clover	0 14 2	(0 9 4)	5 2 3	(2 5 6)	5 0 0 (2)
Grass Hay	(0 17 7)	—	—	(0 2 5)	—
„ Grazing	—	—	—	—	0 12 3

Figures enclosed in brackets ( ) are deficits.

(1) Some straw still unsold. (2) Estimated, not yet all sold. The figures show 1915-16 as an abnormally good season. The wheat crop was good and the potatoes were sold before prices were fixed. Since then the cash balances have not been good, in 1916-17 the wheat crop failed and potatoes did badly; in 1917-18 the barley and roots both did badly.

9. *Deductions and Conclusions.*—These figures are probably representative of much of the heavy arable land of England. On better-class land the returns would be higher and the expenditure no more, often less. But this better land is limited in extent and would not provide as much food as ought to be grown in this country.

The following deductions are drawn:—

(*a*) The farmer is liable to considerable risk of bad yields and bad prices from causes beyond his control. It is therefore difficult to draw satisfactory conclusions from the result of one or two years' observations.

(*b*) The risk is much greater with arable husbandry (which involves cereals and roots) than with grass and clover. The risk is intensified by the circumstance that the farmer has to pay out the cost of crop production many months before any return is obtained, and he has normally no guarantee of price or market.

(*c*) The cost of production of arable crops is increasing at a much greater rate than the cost of managing grass land, whether temporary or permanent. It is unlikely that the farmer will bear the whole of the risk himself. If arable farming is to continue, it is imperative that some means should be devised for relieving the farmer of some of the risk.

(*d*) The most disquieting feature of the situation is the falling off in efficiency of farm labour. A larger number of man-hours is now needed than before the war to produce a given amount of crop. Fortunately the most skilled labourers seem to be less affected than the ordinary workers.

(*e*) The situation can be met in my opinion by:—

(1) Arousing the civic conscience both among farmers and workers.

(2) Improving the methods of farming and distribution and increasing the efficiency of the worker.

Improvements can be and are being made as the result of careful experiments by farmers and investigators, and steps are being taken to develop agricultural education. But modern science holds out no hope of any short or easy road to food production or any way round the old injunction "in the sweat of thy face shalt thou eat bread." Only by putting honest labour into the soil can anything be got out of it. You cannot cheat the soil.

[*This concludes the evidence-in-chief.*]

1819. *Chairman*: You have put in a *précis* of your evidence. May I take it as read without reading it over, merely for the purpose of record?—Yes.

1819A. I will ask Mr. Smith to begin the questions upon it.

1820. *Mr. Smith*: It is stated here that this is an Experimental Station. Does that indicate that the farm is not worked or run on the same lines as an ordinary farm would be?—No. The fields that I refer to here are worked on ordinary commercial lines. I might explain that for the purposes of an agricultural experimental station it is necessary that one should have a good deal of fresh ground. Consequently we keep something like 200 acres of land, not under experiment, but worked as an ordinary farm. The only effect of having the experimental farm is that we do not always arrange the crops in the best possible way from the point of view of profit producing, but every single crop is produced on strictly commercial lines.

1821. You say the crops are not arranged from the point of view of profit producing. That would have a material effect on the result, would it not? Not on the results that I have given you. If you were going in for the maximum of profit you would arrange your acreages of crops so that losses on one crop would be counterbalanced by gains on another.

1822. What class of land is your farm?—It is heavy second class land. I should like to make some corrections in that first paragraph in the estimated costs for 1918–19. Those corrections have become necessary as the result of the fine spell of weather which has come upon us lately. These costs include the cost of harvesting, and in fine weather the cost of harvesting is much less than in wet weather. The oats have already been cut, and as the fine weather lasted during the cutting and seems likely to last during the carting the cost will probably be reduced from £14, as I have stated here, to £12. In the case of wheat the cost will probably be reduced from £15 to £14, and in the case of barley probably from £16 to £15*. Assuming that the fine weather continues and that we have decent weather for threshing, there will be a further 10s. to come off those figures. In the case of clover we start the cutting of the second crop to-day, and it looks as if we shall have fine weather for the making, so that that £7 can be reduced to £6.

1823. May I take it that all the other figures are figures of actual expenditure?—Yes.

1824. *Mr. Robbins*: What have you to say as to the relative fertility of the soil to-day as compared with the first year you give us, 1913–14? Do you think you have drawn on the reserves of fertility in the soil during the series of years you have set out?—I think we have made that good, because we have increased the quantity of manure. I think the land is a little fouler than it was, but I am not prepared to say there is very much in that.

1825. I see you say: "The situation can be met, in my opinion, by (1) Arousing the civic conscience both among farmers and workers"?—Yes.

1826. You do credit farmers with having a conscience?—Yes.

1827. *Mr Parker*: In your first table, which is headed, "The actual money expended on the crop" you say if you grew an acre of wheat in 1917–18, the amount expended was £10 14s. 3d., and your estimated expenditure for the 1918–19 crop is £15. That you have just rather reduced?—Yes.

1828. Will you be kind enough to give us the various items of expenditure that these figures include?—They include the whole of the money paid out for labour, rent, seeds, manure, horse feed—everything paid out—but they do not take any account of the difference in the state of the land at the beginning and the end of the year.

1829. *The Chairman*: Is there any livestock?—I have eliminated livestock altogether; it is very difficult to bring livestock into these accounts.

1830. Any interest on capital?—No, there is no interest on capital.

1831. Anything for supervision?—Yes, there is an allowance for supervision.

1832. You do bring that in?—Yes, I allow £100 a year for the supervision of the whole 200 acres.

1833. Do you bring in rents, rates, insurance, taxes, and so forth?—Yes.

1834. Manure, artificial and otherwise?—Yes.

1835. And seeds?—Yes.

1836. And horse cultivation?—Yes.

1837. Depreciation of machinery used on the farm?—Yes, machinery comes in also.

1838. And wastage of horse life?—Yes, depreciation on horses.

1839. Labour of every sort?—Yes, all the labour is brought in. I have here two of the labour sheets from which these statements are drawn up, if you would care to see them.

1840. It would interest us very much if you would be so kind as to give us under general heads the expenditure on the farm apportioned per acre—that is to say, the total expenditure as you have it here comes to £10 14s. 3d. for the year 1917–18, and if

*See table on p. 78.

you could give us the details of that £10 14s. 3d. under general headings, such, for instance, as I have mentioned, rent, rates, taxes, insurance, manure, artificial and otherwise, seed, and so forth, so that we could make a comparable statement between your expenditure and the expenditure of any other witness who may come before the Commission, it would be very helpful to us?—Yes, I will give you that. I have got out the labour charges in paragraph 3.

1841. I think if you would be kind enough to send that information to us it would be more satisfactory?—Yes, I can get that for you, and I will send it along.

1842. *Mr. Parker*: In paragraph 2 of your evidence-in-chief you say: "The cost of growing each crop cannot be definitely stated because it is necessary to take into account the initial and the final states of the land. This cannot be done precisely. It is legitimate to charge some of the expenditure on the roots to the succeeding corn crop, probably 15 per cent. would be a fair figure."—Yes.

1843. Can you tell us whether the land is cultivated on the usual four course system, commencing with root crops and ending with wheat, and whether it is usual to charge any of the expenditure to the wheat crop at the end of the course?—I am assuming that the wheat follows the roots—after mangolds or after potatoes, for instance, which is what we actually do. That is quite common, although the practice is variable. But supposing it came at the end it would not be legitimate to charge as much as 15 per cent.; you ought to charge something, but I think 15 per cent. would be too much.

1844. You would have to clean the land, which would be for the benefit of the whole course, and therefore there would be something to charge?—That is a purely arbitrary arrangement. I think the best way is to get out the cash statements and recognise that there is a deficiency on the root crops which has to be distributed over the cereals.

1845. In paragraph 3 you put the labour cost per annum at £3 19s. 8d. for 1917-18. What is the minimum wage that that figure includes?—That is given in paragraph 4. The standard weekly wage was 29s. 3d. for a horse-man and 26s. 3d. for a labourer.

1846. The estimated corresponding figure for the 1919-20 year is how much?—41s. 3d. for the horseman, the standard weekly wage, and 35s. 3d. for the labourer.

1847. You speak in your evidence-in-chief of the falling off in the efficiency of labour. I suppose it is impossible to estimate how far inefficiency is going to add to the cost of production?—Yes; I cannot get out a figure really showing the reduction in efficiency. I cannot get out any figure that would be strictly fair to the workers. The situation is complicated by the fact noted in paragraph 6—that in 1916-17 we had a very bad, wet year, and owing, of course, to circumstances which were quite beyond the control either of the worker or the farmer that meant a great deal of hand labour, which is necessarily rather inferior as compared with the skilled labour that one puts on to the horses. But there is a reduction of efficiency, I am afraid, and of course that will add to the cost.

1848. How do you anticipate the cost will be affected by the reduction of the hours of employment to 48, I think it is?—The reduction from 54 to 50 is the one which will affect the cost. It is, broadly speaking, a 10 per cent. reduction in hours. My view is that it will add about 15 per cent. to the inefficiency, so to speak. I think it will have a greater effect than the reduction in the hours.

1849. Can you put into pounds, shillings and pence the actual reduction caused by the increase of the man hours in your farm from 2,800 to 4,000?—That is a clerical error. The 2,800 should be 29,800, and the 4,000 should be 40,600. The figure is correctly given in the table.

1850. In paragraph 7 of your evidence-in-chief you give the financial return from an acre of wheat as £18. Just before, in table No. 6, you return per acre 38·3 wheat bushels. Is this return not much in excess of the average throughout the country—the 38·3 bushels?—Yes, it is.

1851. Very much?—Yes.

1852. That would be nearly 5 quarters?—Yes. The average is something over 32 bushels.

1853. Yours was a very big return?—Yes. We pushed up our yields during the war, of course, owing to the need for increased food. We did it by the greater use of artificial fertilizers and adopting various technical devices.

1854. In paragraph 8 you say: "The following are the cash balances given by each crop. These balances have to furnish the remuneration for the farmer, interest on his working capital, and contingency fund to meet any event not covered by the ordinary insurance and depreciations." Would you tell us what in your opinion is a fair remuneration to the farmer and the amount of interest on the capital employed?—That is a very difficult question to answer. I think on a 200 or 300 acre farm the farmer ought to have, say, 6 or 7 per cent. return on his capital, and of course he ought to have a salary as well. But on an ordinary farm there would be stock kept, and the stock would contribute something to those amounts.

1855. What would you say per acre for salary in addition?—I would rather not commit myself to definite figures, because, although the question looks simple, it is really very complicated. There are many factors that come in. I think for general purposes £3 per acre of arable land might include the farmer's remuneration and his return on his money under present conditions. Of course, under pre-war conditions, when he had not so much capital embarked, less than that would have been necessary.

1856. In paragraph 9 of your evidence-in-chief you say: "These figures are probably representative of much of the arable land of England"?—Yes.

1857. Do you mind telling the Commission what rent you pay per acre?—We pay 30s. an acre rent, and in addition to that we have rates and taxes, which brings the total up to £2 1s. The 30s. rent is higher than it should be, but we were not free agents in the matter.

1858. Is your farm close to a station?—It is about 1½ miles to 2 miles away.

1859. You have to cart your produce 1 to 2 miles?—Yes.

1860. What is the acreage of the farm?—The total acreage is 300, but I have given you the figures for 200 acres only, because 100 acres is the experimental farm.

1861. Is your land too heavy for using motor tractors upon?—Not during fine weather; but we still have to discover whether we can use motor tractors in the spring, when the ground is wet. We can work them at this time of the year.

1862. How many men per 100 acres do you employ?—That, again, is a little complicated by the fact that we have got experiments going on, and the men are sometimes called off from the ordinary farm to carry out experimental work. On the whole we have a staff of 12 men and 2 women, but 2 of those are rather uncertain.

1863. *The Chairman*: How many of those are on the experimental farm?—They are all liable to be called on to the experimental farm when there is not much work doing on the ordinary farm.

1864. You did not answer Mr. Parker, whose question was, how many men to the 100 acres do you employ in your commercial farm?—We actually use these 14, but we do not occupy them the whole of their time. I have given the number of hours worked in one of the tables.

1865. *Mr. Parker*: Can you estimate at all what should be the minimum prices for cereals having regard to the Corn Production Act, and the increased cost of labour and so forth?—Last year the prices were satisfactory. This year I am afraid the prices will be less satisfactory, and for next year's crop it will be necessary to fix a price higher than the actual current price now.

1866. What price do you think ought to be fixed for next year's crop?—Do you mean generally speaking or in regard to our own land?

1867. Generally speaking.—I do not think I could answer that without consideration. It all depends upon how much corn you would want produced in the country. If you are only going to use the best corn land you can grow corn very cheaply, but if you are going to use poor land it comes more expensive. Supposing you want the maximum amount of wheat regardless of price you would bring into cultivation second and even third rate land; but if you only want a small amount you rule out all the third-class land and much of the second-class land. You can grow wheat at anything from 60s. to 90s. a quarter. The only difference it would make is that at 90s. you would bring into cultivation a large amount of second-class land. In our own particular case we should probably have to give up wheat cultivation if the price went below 80s. to 85s. under present conditions—that is, on our class of land. We have given up the cultivation of greens and are giving up the cultivation of potatoes.

1868. Would you agree that unless the Government base their calculations upon the poorer classes of land producing crops below the average that a good deal of land will go out of cultivation?—Undoubtedly.

1869. Any calculation should be based on the poorer class of land, therefore?—I would not go so far as to say that, because if you base your calculation on the poorer class of land you enormously benefit the cultivators of the richer class of land. I think one ought to consider how much wheat is required to be grown in the country and base the calculation on that.

1870. If you favour the better class of land you are going to prejudice those who farm the poorer quality of land and the small holders?—Yes. I think it is rather a question of policy as to where the line ought to be drawn.

1871. *Mr. Nicholls*: When you mention here the falling off in the efficiency of the farm worker I am not quite sure what the trouble is that you refer to there?—It refers more to the general labourer than to the skilled labourer. The skilled labourer is the sort of person one puts in charge of the horses. It is true that there is an increase in the number of hours of horse labour on our farm, but it is also true that we were handling larger crops than we were in 1913–1914, which would necessitate a larger amount of labour.

1872. You consider that the horsemen are all right, but you have a proportion of men who are a trouble to you?—That is so.

1873. They are not efficient?—They are not as efficient as the sort of men we got in 1913-14.

1874. Are they casuals?—They are mainly casuals.

1875. How long have you employed the men you consider efficient; are they men of old standing?—Yes, they are men who have been with us for many years—25, 30 and 35 years.

1876. Is the trouble because the men are not really as efficient at their job, or is it because the men occasionally want to have a day off, and that you cannot quite rely upon them as you used to be able to do?—I think both of those elements come in in regard to the unskilled casual person; he is the man that mainly causes the fluctuations which you find in the table in paragraph 5.

1877. Do you have any piece work on your farm?—We used to, but since the war there has been a considerable reluctance on the part of the men to do piece work.

1878. Is it a reluctance on the part of the men themselves or is it due to advice which they get from outside not to undertake piece work?—I have no evidence with regard to that, and I should not like to say.

1879. You find, at any rate, that there is a disinclination on the part of the men to work piece work?—Yes, for the time being; whether they will go back to piece work or not I do not know.

1880. Is all your harvesting day work?—This harvest it is.

1881. You referred to your land going out of wheat growing, or to your having to give up wheat growing?—Not wheat. What I said was that we should have to give up wheat growing if the price fell below a certain amount. We have had to give up the cultivation of greens, and largely also to give up the cultivation of potatoes because we could not produce them at the fixed price.

1882. What is the trouble with regard to potatoes; is it not potato-growing land?—It is not first-class potato land; it is distinctly second-class potato land. We could cultivate potatoes with advantage so long as prices were in the neighbourhood of £10 or more per ton, but when prices were fixed at £7 or £8 per ton we had to give them up. You will see that in the last table in paragraph 7, where the potatoes were remunerative right up to 1916, and then they caused us a loss when prices were fixed to low for us, so that we were automatically cut out.

1883. What crop did you get of potatoes?—Between 5 and 6 tons, but not high yields such as the Lincolnshire people were getting.

1884. Surely you could grow potatoes at less than £10 with a 5 ton crop?—We could do it at £10, but the price fixed in our case was £7, so that we lost money on it.

1885. Do you say you lost money during 1917?—Yes, for the year 1916–17 crop.

1886. What were the wages then?—The wages are given in paragraph 4. In 1916–17 the wages were 25s. 6d. for horsemen and 23s. 6d. for the labourer. In that year I should say we had a yield of 4½ tons; the yield was low.

1887. You really think that potatoes cannot be made a paying proposition, say at 5 tons to the acre, if they are sold at less than £8 per ton?—Not on our class of land—not where you have to put in the amount of labour that we have to put in. We have a fair amount of weeding to do; the land is rather heavy for potatoes, and you will see from paragraph 6 that the potatoes absorbed a good deal of labour—520 man-hours in 1916–17 and 670 man-hours in 1917–18: they take more labour than anything else.

1888. *Mr. Lennard*: Do I understand that your year is from Michaelmas to Michaelmas?—Yes, from October 1st to September 30th.

1889. I notice in paragraph 4 you say "The expenditure on labour has increased rather more than the average rate of weekly wage, indicating a falling off in the efficiency of labour"?—Yes.

1890. I follow that in comparing the 1913 figures with those for 1917-18, but I do not follow it as regards your estimate for 1918-19?—Perhaps I might explain how that last estimate is arrived at. If you look at the table of returns: "Net balance of receipts over expenditure"—the last table in my evidence—you will observe that in 1916-17 we lost money on five crops, and in 1917-18 we lost money on three crops. We were heading for financial disaster if we had gone on, so we had to revise our system of cropping. We reduced the acreage of our expensive crops and increased the acreage of the cheaper crops—such as clover, and brought down our total expenditure on wages, although we did not affect the cost of each crop. In 1917-18 we have only got four acres of potatoes, on which we shall lose £10 an acre, instead of 13 or 14 acres as last year.

1891. It meant in other words that you employed fewer people?—Yes, the number of hours is 25,000 as against 40,000.

1892. So far as these figures go the fall off in efficiency seems only to be demonstrated up to Michaelmas, 1918?—That is so. We come on to a new system of cropping in 1918.

1893. That means, does it not, that the change in efficiency is limited to the war period?—We could not afford to go on with it any further. If we had continued with our system of cropping I have no doubt we should have got at least as marked a fall in efficiency.

1894. During the war period agricultural labour has been depleted of its most physically fit and efficient men and the older men have been left more and more, but after the conclusion of hostilities you are getting a certain number of physically fit men returning to agriculture?—Yes.

1895. So that these figures only demonstrate the falling off in efficiency during the war period, do they

not, which is a thing which you might expect?—During the war period it was not as marked as one would have expected, because the women and children who came on to the land did splendidly; considering their physical limitations the work was superbly done. I do not want to give the impression for a moment that the work was not properly done. According to my own observation the work was done to the very utmost power of the workers, the workers being inexperienced people. At the present time our difficulty is that the workers who come to us have no knowledge of agriculture, and have to be taught everything from the beginning.

1896. You have no experience of demobilised soldiers who were previously employed in agriculture?—They have not come our way. Of course we have got our own people back, but the sort of men who are coming to us now asking for work usually have had no agricultural experience at all.

1897. In the case of the men that are coming back, do you notice any marked decline in their efficiency as compared with the pre-war period?—Do you mean our own men?

1898. Yes.—No, I do not, but they have told me in conversation that they find it very difficult indeed to settle down to work again.

1899. That, I think, is the common experience?—Yes. Curiously enough, some of them say they did not feel that way when they first came back; the reaction has been deferred.

1900. You expect the re-action will only be a temporary one?—Yes, I have great hopes that it will pass away.

1901. Taking it altogether, this deficiency of labour is either due to the war conditions which are passing, or to immediate post war conditions such as the reaction due to the change of life on demobilisation?—That is so, and I think if it could be arranged for the men to be shown that their work is essential for the country they would very quickly pull themselves together again. That is why in my conclusions I put as the first thing to be done the arousing of the civic conscience both amongst farmers and workers. It is one of those immaterial factors rather than a physical or material factor.

1902. Is there not another factor involved: have your horses and your machinery been kept at the same level of working efficiency as before the war?—We have tried to do that and we have, of course, introduced new machinery wherever we have found it desirable.

1903. Was it not at some periods almost impossible to get the machinery you wanted?—Yes, it was difficult, but we have always been very well supplied with machinery—perhaps more than the ordinary farm, because of our experimental work.

1904. As regards the quality of your horses, has that deteriorated in any way?—I do not think they have greatly deteriorated. We used to work our farm with horses that were bought from London—horses that were no longer good enough for the London streets, but which quickly recovered themselves when they got out on the land—so that we never paid a great price for our horses, and we have never really had first-class horses.

1905. You agree that defects in horses or machinery would tend to hold the men back?—Yes, I recognise that, but still I am afraid there is no getting away from the fact that there is a falling off in efficiency.

1906. That, you say, is due to war reaction?—Yes.

1907. Having regard to the total wages spent during the year as set out in paragraph 4, may we assume that a deduction is made for such work as was done by your men when they were called off for the experimental work?—Yes. You will see we are very careful about keeping accounts, and a sharp distinction is made between the experimental and the ordinary farm work.

1908. You said if the price of wheat was to fall below 80s. to 85s. a quarter, you would have to give up wheat growing. I suppose you meant by that if the normal price of wheat went below that. You would not consider it necessary that so high a price as 80s. or 85s. should be guaranteed for every year? If the cost of production were to remain at its present level I am afraid a high price would be necessary. There is a limit to the yield which is fixed by climatic conditions and these cannot be altered.

1909. It does not follow for wheat growing to be profitable on the whole that it should be profitable every year. Supposing the wheat crop of one year were not profitable, would you not expect to make up for the failure of the wheat crop by your success in another crop, and to make up for the failure of the other crops in another year by the success of your wheat crop?—That would not be so in the case of our cropping; it is cereals that pay, and if we lost money on our wheat we should have to re-organise our system of farming altogether.

1910. Do you suggest that if in a single year the price of wheat fell below 80s. a quarter you would cease to grow more wheat?—Not in a single year, of course, but we should have to do unless we saw a prospect that the price of wheat on the average would recoup our expenditure on the wheat. Unless we could see such a prospect we should have to give it up or else produce it in quite a different way, which of course we might be able to do.

1911. Do you mean if the experience of a particular year and your knowledge of general conditions led you to expect that the price would in the future be below 80s., you would then give up wheat growing?—Yes, on our present methods. It will cost us in the future when the reduction of hours comes into force something like £18 an acre to grow wheat on present methods, as far as I can see, and that £18 must be recouped by the wheat crop. We have nothing else on which we could throw any deficit, and although I do not expect to get the money back every year we must get it back over an average of years.

1912. *Mr. Langford*: Your land, I think you stated, is very suited to wheat growing?—It is not first-class land; I want to make that quite clear.

1913. What is the usual rental of land in your district?—Ordinarily the rental would be about £1 an acre; in our particular case we have to pay 30s.

1914. In your district you regard the wheat crop as an important crop in your system of rotation?—Yes, in our system of farming.

1915. Your average crop of wheat is below 30 bushels an acre according to the figures you have given us?—That is due to the very low yield in 1916-17; a catastrophe of that sort does not happen every five years.

1916. It is one of these five years at any rate?—That is so.

1917. And of course it might happen two years in succession?—Yes, it might easily happen like that, as it did in 1878 and 1879 for instance.

1918. If your best crop of wheat is as low as that, even at 80s. a quarter it cannot be a profitable crop, can it?—There is the straw to be taken into consideration; we have taken no account of the straw here.

1919. Do you sell the straw as a rule?—Yes.

1920. Do you suggest that the sale of the straw would make up the difference between a profitable crop of wheat and an unprofitable one?—It depends very much upon the market one gets for straw; sometimes one gets quite a fair price for straw.

1921. What class of greens do you refer to when you say you have given up growing greens?—Savoys and brussel sprouts. It is essential in our district to have a fallow crop once in five or six years, and we wanted to find out which of the fallow crops would cause us least loss of money.

1922. These greens are really market garden crops?—Yes.

1923. You found that market gardening, at any rate with regard to the growing of green, was unprofitable in your district?—Absolutely.

1924. You also found potatoes unprofitable?—That was only since the Food Controller came upon the scene.

1925. What about roots? You said you were very largely giving up the growing of roots?—Ours being an experimental farm, of course I have a good deal to do, and I do not want to be bothered with subsidiary industries such as milk and cattle production, and so on. Supposing, however, one were farming for profit, it would be possible to embark upon some other industry which would use these roots to greater advantage than we use them; we sell our roots to the cowkeeper.

1926. When you have obtained from the cowkeeper a market price for your roots, they are unprofitable to you?—Yes, that is so.

1927. Do you suggest it would be profitable to you if, instead of selling your roots, you turned them into milk? Do you think you would then get a profit?—I do not say a profit, because I know nothing about milk production, but as the cowkeeper is willing to pay us 30s. a ton for our roots, I assume they are worth that to him, and if I were producing milk I should get his profits as well as my own.

1928. You said that you regarded the farmer's remuneration for supervision, which was to include the interest on his capital, as £3 an acre. What amount of capital have you got invested in your farm per acre?—It is somewhere about £15 an acre. It is a little difficult to estimate in our case because the ordinary farm and the exeperimental farm are, of course, rather mixed up together. One can quite easily keep the working accounts separate, but when it comes to the capital account it is rather difficult to make a precise analysis.

1929. For cereal growing you would regard £15 an acre as a low amount of capital to have invested in your farm, would you not?—Now, yes, but before the war it was only something like £10.

1930. If you went in for dairying the capital necessary would be very much more?—For dairying, but not for stock, because that can be worked on the ranch principle. From the stock point of view you can either farm on ranch principles with a very little capital, or you can farm intensively with a great deal of capital.

1931. I put it to you that with your scientific knowledge you are able to farm and to produce crops that your neighbours are not able to produce in consequence of their lack of scientfic knowledge?—Of course that is conceivable, but as against that we have to pay this extra rent of 10s. which our neighbours do not have to pay. The normal rent is 20s., and we have to pay 30s. We have certain classical experimental fields that have to be retained at all costs, so that we had to take the fields surrounding those experimental fields, and consequently we were entirely in the hands of the agents of the property and had to pay what was asked.

1932. Has much of the farm land in your district been offered for sale?—I do not think so; our district is a prospective building district.

1933. It has been held up for ripening?—Yes, I think so; it is very difficult to get land there.

1934. In the last paragraph of your evidence you say: "Improvements can be and are being made as the result of careful experiments by farmers." Would you substitute for the words "by farmers" the words "for farmers"?—What I wish to imply is that certain farmers actually are making experiments farmers and investigators and as a result of some of these experiments improvements are being made.

1935. Ought not the farmer to look to experimental farms like your own for experiments rather than carry out experiments for himself?—Yes, but some farmers like to make experiments on their own account. I know of some very interesting experiments being done up and down the country by farmers themselves.

1936. Are these not practical rather than scientific experiments?—There should not really be any difference between them. The distinction is one rather of method than anything else.

1937. Do you think the majority of farmers have the necessary knowledge to experiment successfully on their own particular farms? Not the majority. I do not know that many are doing it, but I could give the Commission the names of some farmers who are making some very interesting and quite useful experiments on their land.

1938. From the point of view of economy, would it not be better for the farmer to have experimental stations such as yours, assisted by Government grants or installed by the Government, than wasting his time experimenting for himself?—Generally speaking, I think that is so.

1939. In other words, when you are experimenting you would be experimenting for the whole community, whereas the individual farmer is only making experiments for his own purposes? Yes; the best results are obtained where you have co-operation between the farmer and the experimental station

1940. *Mr. Prosser Jones*: You spoke of the deficiency in the case of the labourer. Have you any suggestions to make as to how to improve the efficiency of the labourer?—I think, first of all, one has to point out to the labourer that it is up to him to put his back into his work and do the very best he can to get produce out of the land. Secondly, one has to improve his education. A number of the men coming on to the land do not really know very much about it, and they have to be taught. Thirdly, the deficiency of the labourer can be improved by the further introduction of machinery—but that means a spirit of enterprise on the part of the farmer and a spirit of willingness on the part of the worker to get the very utmost out of the machine and out of the day in which he is using it. On those lines I think efficiency could be increased considerably.

1941. What class of man do you get at present?—We have got men who have been with us all their lives. One of our men is 71, and he has been with us for 30 years or more; another one, 68, has been with us practically all his life; and another one, 63, has been with us for 30 years or so.

1942. Do they live in cottages on the farm belonging to the farm or quite independently?—We have two cottages of our own, but in the main they live in cottages in the village quite independently of us.

1943. Do they hold any land?—They have their allotments.

1944. In paragraph 4 you set out the wages paid. That shows a standard weekly wage to the horseman for 1918-19, 41s. 3d., and to the labourer, 35s. 3d. How does that tally with the minimum rate of 35s.?—The minimum rate now is 38s. 6d. These years do not correspond exactly with the date of the Order.

1945. This is previous to the new Order?—For 1918 it began on October 1st.

1946. *Mr. Thomas Henderson*: I assume your table on page 1, paragraph 2, will have to be scaled down in some way or other, as table 1 was, in reference to these estimates for 1918-19. In table 1 you bring the figures for wheat down from £15 to £14?—That has been scaled down already.

1947. Very well. You said you took a figure of £3 per acre to cover interest on capital and the farmer's remuneration?—I was careful not to do that. I was asked to express an opinion, and I gave that as an opinion only, not as a firm figure; it is very difficult to give a figure of that sort.

1948. You mentioned that you paid 10s. per acre for supervision at present of the 200 acres?—Yes.

1949. You were asked whether wheat was an important factor in your district, and you said it was important in your method of rotation?—It is important also in the district.

1950. Is milk production common in the district?—Yes.

1951. There is a difference between your farm and your neighbours'?—Yes. We sell our mangolds and roots to our neighbours, who convert them into milk.

1952. Have you any information about their costs?—No.

1953. You do not know whether they incur a loss in roots or not?—No. I should like to point out for the purposes of a comparison of these tables, that if you take the table in paragraph 2, where I have deducted 15 per cent. from the roots and added it on to the wheat, that is quite legitimate in wheat production; but when a milkman is talking about the cost of milk production he sometimes takes the whole cost of his roots into account. That is legitimate if he is not growing grain, but it is not legitimate if he is growing grain and transfers 15 per cent. to his wheat.

1954. To come to the point of the efficiency of the labourer, from your table in paragraph 4 it would seem to be a fair deduction that there was no falling off in efficiency up to 1915-16?—No. I think that is seasonal. I do not think there was any falling off in efficiency then.

1955. That period would coincide with the Army's demands?—Yes; we lost our young men and some of our best men.

1956. And some men that you will not get back?—We do get them back, but whether they are as efficient as before we have to discover.

1957. How many of the men that you had before the war have you now?—Of the regular men all, but of the casuals that were regular, so to speak, that is to say that used to come when they wanted work, not quite all.

1958. You mentioned that you were of opinion that a 10 per cent. reduction in hours may mean a 15 per cent. reduction in output?—Yes, I think so.

1959. Upon what do you base that?—Because of the difficulty in getting work started in the late afternoon when a man is going to finish in half an hour's time. Supposing a man has an hour to run, you can send him off to do a job, but if he has only got half an hour to run it is not worth while starting him on work except about the buildings. Of course one always has to remember the kind of person you have as farm bailiff is not necessarily a very good organiser, and you cannot always be on the spot to make sure the men are used in the best way.

1960. I think you admitted that you looked to better education as a help, and if there were better supervision by the bailiffs, it might come to considerably less than 15 per cent. reduction?—In a factory, yes, but I do not think so much in the case of a farm. On a farm you have to make hay while the sun shines. You cannot control the weather for to-morrow and you have to see the job through in the day. I have reduced all these hours to the standard day. That is the only practicable way of doing it, so that the overtime counts as time and a quarter.

1961. *Mr. Green*: In paragraph 9 you say these figures are probably representative of much of the heavy arable land in England?—Yes.

1962. You say you know of other experiments having been carried out by farmers up and down the country. Are you aware of the experiments which have been conducted by Mr. Christopher Turnor in Lincolnshire? His costing figures are rather lower than yours on poor grass land?—I have not been actually over his land, though I have discussed his experiments with him. I think his land is lighter than ours, and that would reduce the cost.

1963. Are you aware of the figures of Mr. Orwin, of Oxford, which are also considerably lower than yours?—I have seen some of his sheets. He also has got lighter land than ours. I am not sufficiently familiar with his figures to be able to speak definitely. Are you referring to his figures for wheat or for oats?

1964. For wheat. I have seen them myself. As to the efficiency of labour, as a scientist and teacher, what would you propose to do for the young men who want to go on the land, especially having regard to Mr. Fisher's Extension of Education Bill? Would you propose that these young men should go to experimental stations such as yours, or colleges, or go on commercial farms pure and simple?—Are you thinking of the workers or the farmers?

1965. The workers?—I do not think the worker should go to an experimental station. I think that he ought to have education in agriculture and in the reasons underlying the operations on the farm, so that he may take an intelligent interest in the work.

1966. Do you propose that he should go to an agricultural school or college or to a farm?—I should say night classes in the village run by peripatetic teachers, with demonstrations arranged on some good farm in the district.

1967. *Mr. Edwards*: In answer to Mr. Langford you seemed to suggest that your scientific knowledge, which of course we know is high, if not higher than that of any farmer in England, has only been of a limited help to you in your actual farming?—That is so. Our yields are limited by the weather. I think we could probably work up to an average of 40 or perhaps nearly to 45 bushels of wheat, but I do not think we can get any further. I think the weather stops us then.

1968. After all, that leads us to the conclusion that the cry for the better scientific training of the farmer has its limits?—That is so, but there is an enormous amount of land in the country that does not give even 30 bushels of wheat, and much of that land could be improved considerably. As you have raised that question, I should like to emphasise the point mentioned in my concluding paragraph; that is, that you must not rely on modern science to produce the food for nothing. The only way of getting food out of the land is to put good, honest work into the land, and although science will help, there is no way in sight whereby you can get food out of the land simply by pressing buttons. You have to put as much work as before into the land—it need not be as much manual work, but what you cease to do manually has to be made up in intelligence.

1969. In paragraph 6 of your evidence you refer to the fluctuations in yields from causes beyond human control which upset all attempts at calculations of output, and so forth. You are aware that there are two sets of enquiries now being made into the costing of agricultural produce, one by the Wages Board and another one by an independent body?—Yes.

1970. I should like to have your views as a scientific man as to the use of the result of those investigations into the fixing of wages on the one hand and prices on the other, and legislation generally for the agricultural industry?—You mean what value will the results be when they are got?

1971. Yes?—That is a very difficult question to answer. I have not seen the work of either of those Committees at first hand, and it is always difficult to criticise the work of a Committee when one has not seen either its work or its Report. Costs of production vary considerably from farm to farm and from season to season. I imagine that by taking the average of a large number, one could get an average result, but average results have a knack of breaking down when applied to a particular farm. An average result would mean, supposing a man were farming 10,000 acres, or 20,000 acres, or 30,000 acres, his results would on the average come out to a particular sum; but if you take a man farming a 200 acre farm, the results might easily come below the level what any of these Committees would lay down.

1972. Your answer is that the result of the enquiries must be taken with excessive care, otherwise a large number of farmers might be put in a very difficult position?—Yes, they would require very intelligent interpretation. I take it that the purpose of the figures is to find out what is the reasonable return the farmer should expect, and how the return should be divided between the workers and the farmer.

1973. You say, "The situation can be met in my opinion by arousing first the civic conscience both among farmers and workers." I should like some further information on that point as to how you

would attain that object?—Agriculture is our basic industry. We can produce from our own resources a large amount of the food which we want, and if the farmers and workers combine to get the maximum out of the land, we could break any foreign meat trust or any other trust that tried to dominate the food of this country. During the war we increased our production of food considerably, and I have no doubt at all that we could go on doing so supposing everyone realised the absolute necessity of this course.

1974. Your predecessor, Sir Daniel Hall, admitted that he could never understand the farmers of this country conducting their business on the unsatisfactory lines on which they were now conducting it—that is, on the yearly tenure system. Do you think, as a scientific man, that it is really possible to increase the production of the land of this country on such a system of farm tenure as that?—I do not think the farmer is affected very much by what might be called these political considerations. The farmer is not really very much of a politician, and so long as he thinks he is reasonably safe for a year or two he is quite content to go on.

1975. Yes, but what about the nation, and what about getting the greatest amount of production out of the land that we possibly can?—Agriculture is not conducted, of course, on strictly commercial or business lines. There are all kinds of things done between landlords and tenants—especially resident landlords and tenants—and farmers and their workers which cannot be expressed in pounds, shillings and pence. Agriculture was a flourishing industry long before finance came along, and finance has not dominated agriculture as it has other industries. For instance, we find repeatedly that land is let at less than its market value simply because the sitting tenant has long been there, and again in the case of the workers we find that men are kept long after they are useful, simply because they have always been employed on the farm. Established custom stands for a good deal in agriculture, and I do not think one can express it all in terms of pure commercial language.

1976. Under the system which has prevailed, are you prepared to say that at any time the system has been able to produce the best out of the land of this country?—I should say that the type of system would only have a secondary effect. I can recall one or two farmers who have felt themselves hampered by the system, but in the main I think they have got along fairly satisfactorily. I do not say it is an ideal system, but it works.

1977. Can you say what was the total produce per acre that we produced in this country in pre-war times? In what period?

1978. In the period just before the war?—Immediately before the war production was going up. In the nineties it was down; in the sixties is was probably very high. Production depends very much on prices.

1979. I can tell you that the total produce is only about £4 per acre, whereas in Belgium they were taking £20 per acre out of their land. That is the pre-war estimate. What I really want to know is whether you as a scientific man consider that a satisfactory position?—I do not think that £4 is a satisfactory figure, assuming that is a correct return; but I do not think you can directly compare our system with the Belgian system, or that the comparison shows conclusively that the Belgian system is better suited to us than our own.

1980. *Mr. Dallas*: You said that a certain minimum price would bring second-class and even third-class land into cultivation?—Yes; but there is land that could not be cultivated even with any minimum price you like to name. That was the experience in Napoleonic times when wheat was very, very dear.

1981. You have been asked a great deal about the inefficiency of the labourer. Have you noticed any change in the efficiency of the farmer?—I have noticed that the farmer has put a great deal more money into the business than he had before. During the war the consumption of artificial fertilisers, for instance, increased very considerably. That has meant that the farmer has had to buy those things long in advance of the time he got his money back. For instance, farmers are already spending money on corn which they will not sell until early in 1921. Things have to be worked as far in advance as that. That means to say the farmer is locking up capital in his land for that period, and any increase in the price of artificial fertilisers means an increased investment of capital in his business. Then again a good many farmers are interested nowadays in tractors. That also has meant an increased capital expenditure, for which the return will only come back slowly. I think that is the direction in which the farmer might be said to have increased his efficiency.

1982. Would you say that the fact that the wages paid in agriculture have been at a miserably low level is one of the factors in determining the class of labour that is employed in that industry?—Yes, I think so. I think we are still suffering from the effects of low wages even as far back as the sixties. Men in the sixties realised that they were being paid badly and that large sums of money were going into the pockets of the farmers, and it aroused in some districts a feeling approaching to bitterness which took a long time to get over, and I think that we shall suffer for some time from the effects of bad wages during the sixties and during the nineties.

1983. I was a member of an Agricultural Committee, and during the war we were getting people released from the army, but we found that a lot of men who were released did not come back on to the land. Although we got them released from military service, they refused to come back on to the land. Would not that tend to show that the wages paid in the agricultural industry are not sufficient to attract enterprising and efficient young or middle-aged men?—I am not sure that it is entirely a question of wages, because a great many men find town life and city life more attractive. I think a solution will be found along the lines of the introduction of machinery. For instance, in our own particular case we have a very intelligent young man that we wanted to keep. We found that we could not keep him at the ordinary wage, and therefore we put him in charge of the machinery. We appointed him as mechanic and in that way were able to offer him a considerably higher wage than otherwise, or that would have been sufficient to keep him on the land. I think along lines of that sort one will find the solution of keeping the young men on the land, but of course one cannot argue from particular cases. We have got to keep the best of the young men, and I think it can be done in that way. There are, however, a large number of inefficient people that cannot be paid a very high rate of wage. In the old days, when the standard rate was about 3d. an hour, one employed on the land a large number of men who were unemployable otherwise, but when the minimum wage has risen to 8d. per hour—8·1d. per hour in our district—a number of those sort of men can no longer be employed. I think the difficulty will always be with the tail end, and not with the best of the workers.

1984. You stated that not with respect to your regular skilled workers, but in the case of your casual workers you were getting some now who were going knowing nothing whatever about agriculture?—That is so.

1985. That accounts to some extent for some of the decrease in efficiency?—Yes.

1986. The deficiency in those cases will be bound to decrease as they become skilled, will it not?—Yes, that is so. Of course I do not want to give the Commission an impression that I am painting the agricultural labourer in black colours. I am simply giving you the exact facts as they are at the present moment.

1987. You have some labourers who have been in your employment for 30 years, I think you said?—Yes.

1988. It is natural as men grow older that their efficiency should decrease?—It does not decrease as much as one would think. That is shown in the record of our horse hours.

1989. When you talk about a guaranteed price, do you mean an effective guaranteed price—a price that will be in operation? As you know, the guarantees under the Corn Production Act have not been in operation?—That is so.

1990. When you are talking about a guaranteed price in the future, are you thinking of a price such as the present one which will not actually come into operation or are you thinking of one that the community will have to pay?—I would rather look upon it as a matter of sharing the risk. The farmer is now spending money on a corn crop that he will sell in 1921 and no man can tell him what price he will get in 1921. At present he has to bear the risk of all the money which he embarks in his farm, and which in the case of our own farm is something like £18 per acre. That is a very heavy risk for a farmer to have to bear. Supposing you could devise some means whereby that risk should be shared by the community at large and not borne entirely by the farmer I think the farmer in that case would much more cheerfully go ahead than he does at present. It may be that an economic price will effect that or some other system might be devised; but that is a business problem on which I am not competent to advise. I cannot help thinking that there is a solution of it along some such lines as insurance.

1991. There is no reason why the insurance companies should not take that risk, is there?—It is possible that they would not care to do it, but methods have been devised for meeting other risks that seem at least as serious. I think the problem is one that wants solving. I do not think it ought simply to be left as a problem which might be solved.

1992. When you talk about the community sharing the risk, do you mean that the community should share in the farmer's losses if there are any, but if it happened that in the year 1921 or 1922 prices went up enormously the farmer should get all the advantage of the high prices, the community merely sharing in the risk of loss in the case of a reduction of price coming about?—I imagine in any system of the sort the farmer would have to contribute somehow or other. At present when he insures his hay stack against fire, for example, he has to pay so much by way of premium. If there is a fire he gains by his expenditure. If there is not a fire he is that much out of pocket. I did not say that the community should take all the risk, but should share the risk—that there should be some method of contribution.

1993. I can follow the suggestion that the community should share the risk. What I do not follow is whether they are to share in any extra profit that may accrue to the farmer?—I think that is implied in sharing the risk. After all, the risk cuts both ways.

1994. *Mr. Ashby*: Your farm is a farm which is worked at a profit, is it not?—I should not say it was primarily intended to be worked at a profit. If it were we should adjust our acreages to secure the maximum profit from it, and we do not do that as a rule. We should grow more potatoes and roots, for example, than we do at present if we were working with the primary point of view of profit.

1995. Would the farmer farming under ordinary circumstances for profit be rather more concerned with the total profit from his farm, or we will say the greatest profit per acre over the whole of his farm, rather than the profit he might get from any particular crop in any given year?—He would be much more concerned with his total profit, but his total profit after all is arrived at by adding up the individual balances. I deal with that in para. 8. You will notice there that we have, for instance, a cash balance on our wheat and our oats, and generally on our barley, and we have a cash deficit on our roots and potatoes and a cash balance on our clover. It is obvious that by adjusting your acreage of cereals and clover on the one hand and your roots on the other that you can make them counterbalance or more than counterbalance one another. That is how the farmer would get out his profits.

1996. For general purposes would it not have been an advantage if you had stated the total acreage and the total cost and the total receipts, because as the figures stand we cannot arrive at the average cost or receipts over the whole 200 acres?—I thought of that, but the results would be misleading because, as I have explained, the primary purpose of this farm is not to make a profit, although every item is carried out on financial lines. We should have a different adjustment of our acreage of roots and cereals if our object was to secure a profit. What we want to do it to get our land into a condition to make experiments on.

1997. I follow your point, but having given us certain figures could you not in addition state the net results? Could you not give us a table showing the total cost in each year and the total acreage and the average cost per acre of all crops, and the net profits?—If it would be of any interest to the Commission I can have those figures taken out, and will do so with pleasure. We have a large number of figures, and any you like I will take out with great pleasure.

1998. *The Chairman*: Will you be so kind as to give us the acreage of each case?—The acreage of each year, because the acreage has varied in each year.

1999. Yes, and also if you could give us, if you are willing to do so, the net result of profit or loss for each year?—Yes. All our figures are at your disposal. I can let you have the audited balance-sheet if you like for this actual farm.

2000. If the audited balance-sheet shows the result of each crop—which I am not sure it will do—we should very much like to see it. But we leave you to do the best you can, knowing that we want the acreage and the average crop and the sales for each of these years. You mention that your 1918 estimate of costs was about £18 an acre for wheat?—Yes, that is the corrected estimate, allowing for the difference in variation of the land. I gave you two sets of figures, one on an actual cash basis and the other, in para. 2, taking into account the difference in the variation of the state of the land.

2001. I know that, but at the same time, if £18 or £18 10s. is the proper cost, that is what we want to know. We do not want a figure which a commercial firm does not budget on. For instance, if you have to transfer 25 per cent. of your roots, or 15 per cent. of your roots, to the debit of your wheat, clearly the profit on your roots must be 15 per cent. less, or the loss must be 15 per cent. more. What the Commission want, I am sure, is the result of each crop in each year systematically arrived at so as to show the true cost and the true income as against net cost and the actual profit or the actual loss on each crop?—May I say that the true cost is really a conventional figure, because one has to assume the amount that has to be carried over. The amount I have assumed is 15 per cent.

2002. Whatever you assume as a practical man we would recognise as necessary?—I do not know that every farmer would agree with my figure of 15 per cent. I could not defend my 15 per cent. as against somebody else's 17 per cent. or 13 per cent It is simply an assumption. One has to draw the line somewhere.

2003. *Mr. Ashby*: Will you prepare a Table stating the total cost in each year, the total acreage in each year, and the average results per acre of all crops following Table 1?—Do you mean total cost, or total expenditure in each year? Table 1 is expenditure.

2004. The same figures as enter into these items set out in Table 1?—Yes.

2005. *Chairman*: The expenditure?—Yes, the total expenditure in each year, and the total acreage each year, and each crop. I will get that out.

2006. And the profit and loss results on each crop in each year?—Yes; in other words, the Auditor's Balance Sheet. In the case of the Auditor's Balance Sheet we have only one copy, and if it is sent can it be copied and returned?

2007. Yes. If you will kindly send it to the Secretaries they will see to that?—Yes, that shall be done.

2008. *Mr. Ashby*: And the same in respect of the receipts?—Yes, the total expenditure, the total acreage, and the total receipts in each case, the balance you will get from the Auditor's Balance Sheet.

2009. Could we have it for the whole 200 acres, as well as for each crop, to give us a general view of the results of the whole farm?—That comes in the Auditors Balance Sheet.

2010. Does the cost of roots for 1918-19, £40, as stated here, include seed and lifting?—Yes. I ought to point out that these items of expenditure will not agree quite with the Auditor's Balance Sheet, because he strikes off his year at the end of September, and some of these items go into October and later months.

2011. I suggest to you that in arriving at a figure for the carry over of roots to wheat, you should strike off the seed and lifting expenses and carry over to the wheat what you think is a proper proportion of the tillage and manures?—To take the case of mangolds they only cost £1 per acre out of a total expenditure of £29 18s. 3d. I do not think it would make much difference if you deducted the cost; it is only a matter of 1s. 6d.

2012. The cost of lifting may vary enormously according to the weight of the crop, and the cost of lifting is of little account compared with the value of the wheat crop? The cost of lifting made a difference in the carry over.

2013. If you made a bigger proportion in the debit to the wheat crop it would be more satisfactory, would it not?—Yes. The figure of 15 per cent. is a purely conventional one, and is on quite a different basis from these other figures, which are actual cash.

2014. Will you now turn to your figures in paragraph 3, showing your labour costs per acre per annum. You will agree, will you not, that these figures—take wheat for instance—do not necessarily measure the same amount of labour in each of the years. The number and the nature of the operations may vary?—That is so.

2015. You could not arrive at any efficiency value, for instance, from a consideration of these figures?—No.

2016. Now will you skip the next Table and turn to the Table in paragraph 5 showing the number of horse hours. There is a big increase of 8 hours per acre as between 1913-14 and 1916-17, in the case of wheat. Is that not due in some part to the fact that you omitted roots the year before and made no more cleaning operations in respect of your wheat in the following year?—That would be a factor, of course. It was threshing and marketing that came more expensive in that year.

2017. Was that due at all to increased yield?—No, the yield was about the same. 1914–15 was 34 bushels; 1915-16 was 37—are you speaking of 1916-17?

2018. Yes. It would not be due to the yield in 1916-17?—No. If you go back to the Table you will see in 1914-15 the number of hours was 32, and in 1915-6 they were 42, an increase of 10.

2019. I was taking 1916–17.—There, of course, every single item is up, and the cost of labour is rising. The hourly rate, for instance, had increased from 4d. to 5d. an hour. That, of course, makes a difference. These are worked out on the standard rate. Overtime is counted as time and a quarter for this purpose.

2020. Are the horse hours counted on that basis?—No, these are actual hours.

2021. I was trying to arrive at some reason for the increase of horse hours. It is suggested that in 1916-17 in the case of the cereal crop the greater number of hours may have been due to the fact that more cleaning operations were necessary because there had been a decrease in the cleaning operations owing to the fact that there was no root crop in the preceding year?—There was a root crop in the preceding year. I see your point now; I had not grasped it. The roots are struck out there because in that particular year the Board asked us at a late hour to make certain experiments, and the only thing we could do was to devote the whole of our acreage of roots to those experiments so that they came out from the ordinary farm accounts. But we got our acreage of roots all the same.

2022. Some of the increase in the 1916-17 column may be due to that, may it not?—But we did not miss our root crop; we had our roots, but they were used for experimental purposes, and they do not appear in this particular set of accounts.

2023. Have you ever made any observations or calculations as to the relative efficiency or the relative amount of work done as between men and women, or as between women and children and men?—No; I have tried to do that, but I have never succeeded in getting at any satisfactory conclusion.

2024. What rate of conversion have you used in arriving at the man hours?—Purely financial; for example, if a boy is paid 2d. an hour and a man 4d. an hour, I reckon the boy as half a man.

2025. If there is any difference in the relative amount of work done and in the relative efficiency of the women and children as compared with men, this number of man hours does not really represent man hours, except from the financial point of view?—They are the equivalent man hours.

2026. From a financial point of view and not from a work point of view?—Yes, but I do not know that you could get at it from the physical point of view.

2027. Did you normally employ women and children before the war?—No; we employed an occasional woman.

2028. I take it that the years in which women's labour was most employed were the years 1916–17 and 1917–18?—Yes.

2029. Would you look at the first three columns in that Table? Your wages rates for both classes of men were rising for those first three years?—Yes.

2030. Your total amount paid for labour does not rise quite as fast as the rates of wages, while your total of hours actually falls, so that while you were raising the wages in those three years—and presuming you did not lose many men from recruiting, if you were in the same position as most farmers—your efficiency was rising? Do you start from 1916?

2031. No, from the year 1913–14. While your rates of wages have risen something over 30 per cent., your total expenditure has not risen quite in the same proportion, whereas the actual number of man-hours was falling. I suggest, therefore, that during those years when you were not employing women and children, the efficiency of your men was quite well maintained?—Yes, we did not begin to suffer very much in the early years of the war.

2032. I do not want to say that during the two or three later years there was no decrease in efficiency, but may I suggest that these figures for man-hours do not measure the fall in efficiency, because of the uncertainty of the rate of conversion on the basis of the relative value of women and children's work as compared with that of men?—They are not intended as a quantitative measure of the fall in efficiency. I do not wish to suggest that the actual efficiency of the worker fell in the proportion of 40 to 28, as would be the case if this was a quantitative measure. I give them merely as an indication that there is a fall.

2033. *Mr. Batchelor*: I should like to have your total cropping rotation for this year. I expect that will appear in the figures you are going to give in the acreage of each crop?—Do you mean in the year just ending?

2034. I should like this year's actual crop—1919?—That will appear in the figures I am going to give you.

2035. You have told us that you have given up potatoes and roots. What are you substituting for those?—We are reducing our acreage of roots. We are going to have a mixture of grasses which we shall

lay down for two or three years, and do a certain amount of dead fallowing or bastard fallowing.

2036. Do you think by doing that you will sufficiently clean your land, or get the land in an efficient state of cultivation for grain?—We hope so; we are using a tractor, and as we cut the corn throwing it up into the middle and ploughing in between, so that we hope to steal a lot of cleaning work in that way.

2037. Do you sell a lot of the root crop off the holding?—Yes.

2038. What do you bring in in place of it?—We buy a good deal of London dung and artificial manure.

2039. Do you keep cattle?—Usually, but I did not bring them into the accounts, because it complicates them.

2040. Yes, I quite appreciate that. What I want to get at is whether you are not impoverishing your land?—No; I do not think we are doing that, but one of the things I do not like is that we shall not employ so many men as we used to.

2041. What reduction will there be in the man hours by giving up potatoes?—It contributes materially to our reduction from 40,000 to 25,000.

2042. Will you reduce the number of horses?—They will reduce themselves—we shall not replace them all. We have got one tractor, and we shall probably get another tractor for light work, and try to work on those lines.

2043. Are you of opinion that you will be taking full value out of the machinery and the horses that you have after you have reduced your green crop?—I think we can do that. That, of course, is a matter which has to be worked out in detail on the land. You have to remember that we are not only working this farm, but the experimental farm also with the same machinery.

2044. *Mr. Overman*: I am very glad we are going to have your balance sheets. I suppose attached to the ordinary balance sheet will be the yearly valuation?—We do not have a yearly valuation at all. Our primary purpose is not a profit on the whole of our transactions. We are principally concerned at the present time with getting our land back to a normal state, so that we can carry out experiments.

2045. You do not have a valuation at any time of the year?—No.

2046. *Mr. Anker Simmons*: The thing that strikes me so much with regard to your statement of expenditure is your very high cost of root production. I quite understand, of course, that yours is more or less an experimental farm?—That does not enter into it.

2047. If it costs an ordinary farmer anything approaching your figures for root production, he could not possibly produce roots, because it would be quite double the cost of production on an ordinary farm. You begin, for instance, in the year 1917, and are spending £17 10s. an acre on your roots?—Yes.

2048. I make a great many valuations of roots in the course of the year—never less than forty valuations a year—and in 1913-14 I am sure in no one case did the expenditure on roots amount to more than half your figure?—Is that on a cash basis or on the unexhausted values?

2049. On the actual cost of producing the roots, which is paid for by the incoming tenant to the outgoing tenant?—With no allowance for unexhausted value?

2050. No.—What is done with the ordinary maintenance items—hedging, ditching, and so on? Are those carried into the account or not?

2051. No, it would not be, but if the outgoing tenant did not leave his hedges and ditches in proper order, he would be fined for it?—There are many items which have to be distributed amongst the various crops and cannot be carried to a particular crop. We have allowed for that.

2052. Even where you are selling off your roots—which would be forbidden in the ordinary case of an ordinary farm holding, because that is never allowed—where you are selling your roots at the market price practically every year shows a loss?—Yes.

2053. The same remark applies to potatoes. Your expenditure on potatoes is almost equal to the Lincolnshire expenditure?—Yes.

2054. You say you could only grow 5 or 6 tons to the acre, whereas the Lincolnshire man would not dream of expending, say, £40 an acre—as he was doing two years ago—without looking to getting certainly an average of 10 or 11 tons an acre. I shall be able to see when we get more details from you how you arrive at this, what seems to me, extraordinary expenditure upon roots?—I think the ordinary farmer underestimates his expenditure on his root crops.

2055. I do not think so, because we go very carefully into it and pay the farmer for everything he has done?—You say you do not do anything with regard to these various items.

2056. No; but hedging and ditching on a 300 acre farm, we will say, ought not to cost a man more than £25 a year?—There are a lot of other things, trademen's bills and repairs to harness, time lost through bad weather, depreciation, and that sort of thing.

2057. Do you charge repairs to harness to roots?—A proportion of that has to be borne by the root crop.

2058. You stated that this year's price of grain would not be satisfactory in your case. Do you realise that the present year's price of grain is the world's price, and that the guaranteed price is only a minimum?—Yes, I quite understand that, but of course it does not matter to us whether we grow wheat or any other crop.

2059. I should like some explanation of how you arrive at what appear to me extremely high prices for the production of roots and potatoes?—Yes, you shall have those figures, but I think you will find they are correct.

2060. Would you say that your farm could be taken as a fair example of the farms in the county of Herts?—Not of the gravel soils and not of the alluvial grass lands, but of the heavy clay soils certainly. It is typical of a great deal of the land overlying the chalk in Hertfordshire, Middlesex, Kent, Surrey, and Essex, and a very great deal of the heavy land in the Midlands—in Northamptonshire, for example.

2061. *Mr. Rea*: You put your cost of growing wheat at £18 16s. an acre. Your average for five years is 28 bushels. Supposing for the sake of argument it is 32 bushels this year at 75s. a quarter, four quarters would be £15, leaving a deficit of £3 16s. Do you sell all your straw?—Yes.

2062. What quantity of straw per acre do you get?—We shall probably get 30 cwts. of straw.

2063. That might reduce that loss, say it was £4 a ton, to a profit of £2 4s.?—Yes.

2064. Do you think the conditions will be such in the future that an average yield for the country of 32 bushels an acre can make wheat growing profitable considering the cost of production, labour, manures, and other things?—I should very much doubt it, but I do not see at all why that yield should not be increased; I do not at all see why we should stick at 32.

2065. How much do you think it could be increased?—I would rather not tie myself to a figure, but I think unquestionably an increase could be got. I want to make it clear, however, that that is dependent both upon the farmer and the worker deciding that they are going to do their very best to get it.

2066. Putting their backs into it?—Putting their backs into it.

2067. Assuming there is going to be an increase, can the increase be achieved by the use of more scientific methods, or by increased labour, or increased efficiency of labour, or by all three combined?—Yes. I should put increased efficiency of labour first.

2068. Would you put that before more scientific methods?—They go together, because unless you have the increased efficiency of labour you do not get your scientific methods to work. New varieties of crops, with better mixtures of fertilisers, and so on, do not give their proper return unless you have the crops handled in the most satisfactory way both by the farmer and the worker.

2069. What it comes to is that you have to manure with brains?—Yes, that is so.

2070. In paragraph 4 you allude to the increase in the expenditure on labour outrunning the increased rate of wages, and you deduct from that a deficiency in the standard of labour. Is that due in your opinion to the war conditions we have all been through, or are those conditions passing away now as you are getting your men back?—I would not say that they are passing away because we still see it. I only go so far as to say that I hope it will pass away.

2071. As the regular hands get back you hope there will be a return to the former standard of work?—Yes, I hope so certainly. The ordinary farm labourer is an extremely sensible person, and I have no great fears with regard to him at all.

2072. I hope it will be so too. We have to consider the cost of production, and you have given us the cost of the individual crops, but owing to the variety of climate conditions and the difficulty of estimating what will be the result of your labour, any crop may show a loss in any particular year?—Yes, that is so.

2073. Do you think that the proper basis to go upon is to try to arrive at the cost of production of each individual crop? Would it not be enough to consider and decide what crops and what rotation suits your land, and treat the rotation as the unit on which to arrive at the cost of production, lumping the four or five years together and dividing it by the number of years, and treating that as the cost of production, rather than taking each individual crop which shows a much more temporary result up or down?—The advantage of taking the individual crop is that you analyse your problem and you have got all the separate factors there. You can see that you have expended so much on this crop, so much on that crop, and so much on some other crop, and in order to get the maximum financial returns you must arrange the acreage proportionately so as to reduce the losses.

2074. From the farmer's point of view, it does not so much matter to him whether he gets a profit from one crop one year. In the case of a particular crop a particular year may happen to be a good year for that crop and he may make a profit upon it, but in the case of another crop he may make a loss because it does not happen to be a good season for that particular crop. What he is out for is to get the best return over his rotation, and that seems to me to be the best way to arrive at the true economic position—to take the rotation as the unit and not the particular crop?—The difficulty about that is that you get so few people working on the same rotation, whereas if you take 50 or 60 crops you can get an average of them. You would find it very difficult to find any large number of farmers who keep accounts and farm on the same rotation so that they could give you an average for the rotation.

2075. Is not the rotation the surest means of arriving at the financial position?—I prefer to build up from these figures; and as a matter of fact we are arriving at a rotation on the basis of these figures which will bring in a better return than we are getting. Any farmer could do the same if he had the figures before him.

2076. The returns will vary according to the season if not according to the labour and other things. This year, for example, will not be the same as last year?—That is so.

2077. *Dr. Douglas*: You have told us that production depends upon prices. You have also said that your problem was to find which root crop caused the least loss of money?—Yes.

2078. Do you conclude from that, that the determining factor in production is the price of the cereal crop?—I think the more important thing is the price of the cleaning crop.

2079. You told us that was always a loss?—Yes, but supposing there was a profit on that, you could dispose of your cereal at a much less price than at present, where you have to start with a dead loss.

2080. Have you anything to say about the price of the cleaning crops? Is there any possibility of dealing with that?—I am afraid it is very difficult. I have tried to think out ways in which one could reduce the cost or avoid loss of money on the cleaning crop, but I am afraid it is very difficult to give a general estimate cost owing to the variation of method in dealing with it. Some change it to meat, some to fat, some to milk, and so on. There is a lack of uniformity in the way of disposing of it.

2081. Your method has always been to sell it?—Yes, we have always sold it; it is the least trouble.

2082. And also to sell your straw?—Yes, the same answer applies in that case; it is the method that gives us the least trouble. We are an experimental farm, you see.

2082A. It does not give you the maximum profit?—That is not our main consideration.

2083. A suggestion has been made to you that if the community share in the farmer's risk, they ought also to share in his profit. I suppose you will agree that the Chancellor of the Exchequer will not neglect to collect Income Tax out of any increase in the farmer's profits?—Yes, I think he will get hold of it all right.

(*The Witness withdrew.*)

FOURTH DAY,

WEDNESDAY, 13TH AUGUST, 1919.

PRESENT:

SIR WILLIAM BARCLAY PEAT (*Chairman*).

DR. C. M. DOUGLAS, C.B.
MR. G. G. REA, C.B.E.
MR. W. ANKER SIMMONS, C.B.E.
MR. HENRY OVERMAN, O.B.E.
MR. A. W. ASHBY.
MR. A. BATCHELOR.
MR. GEORGE DALLAS.
MR. W. EDWARDS.
MR. F. E. GREEN.
MR. J. M. HENDERSON.
MR. T. HENDERSON.
MR. T. PROSSER JONES.
MR. E. W. LANGFORD.
MR. R. V. LENNARD.
MR. GEORGE NICHOLLS.
MR. E. H. PARKER.
MR. R. R. ROBBINS.
MR. W. R. SMITH, M.P.
MR. R. B. WALKER.

MR. W. T. LAWRENCE, Principal, Newton Rigg Farm School, called and examined.

2084. *Chairman*: You are the Principal of the Newton Rigg Cumberland and Westmorland Farm School, near Penrith?—Yes.

2085. You have submitted certain information. Will you allow me to put that in without reading it?—Yes.

Chairman: Then I will ask Dr. Douglas to begin the questions which are to be addressed to you in reference to your précis, see Appendix IV.

2086. *Dr. Douglas*: Will you tell us first what date, or what seasons, these figures refer to? You first give us a summer statement, and then a winter one?—Our year ends on the 31st March; but, in order to differentiate sharply between the winter and the summer, the winter is carried out to the middle of May, which is our turning out time; so, those figures are really for the year ending the middle of May last.

2087. May, 1919?—Yes.

2088. From the end of May?—From the middle of May, 1918, to the middle of May, 1919.

2089. In giving summer and winter periods, do those correspond to the periods during which the cows are out constantly, and the periods during which they are housed?—That is so.

2090. Then, I may take it there are 24 weeks that the cows are out by day and by night?—That is from the middle of May to the first week in November. They are out till the first week in November in Cumberland.

2091. You will agree that gives you rather a longer period during which the cows are out, both day and night, than obtains in some other districts?—No; I am hardly prepared to allow that.

2092. Then you are not familiar with the conditions further north?—No, not in Scotland.

2093. But, if I tell you that in dairying districts in Scotland the summer period as defined by you—that is, the period during which cows are out both day and night—is limited to 16 and 17 weeks, you would agree that that would make a substantial difference?—Yes, very much. Of course, as far as the cattle is concerned, our farm is not an exclusively dairying, milk producing farm; it is a stock rearing farm as well. We rear all our own stock. We buy no cows, and, consequently, we do not bring them in before we are actually obliged, to force the milk yield.

2094. As you have mentioned the point that you rear your own stock, do you submit any accounts bearing on the rearing of your young stock?—I have not given anything of that kind in this; but it really means this: that we replace practically a third of our dairy cows every year. A third goes out, and a third of heifers come in.

2095. Do you sell them mostly at a certain age?—Generally immediately after their fourth calving.

2096. That is six years old, approximately?—Yes.

2097. Just to go on with your account. During the period under review in those summer accounts your price for cake was £20 a ton. What kind of cake do you habitually use?—A good deal of the cake which we used during those 12 months was earth-nut cake.

2098. That is not now obtainable, is it?—Yes, in small quantities; but, of course, when we could get it, we liked to use it rather than cotton cake, being cheaper.

2099. And that is now at a much higher selling price than £20?—Yes.

2100. Do you agree it is higher than £20?—Yes. This account I have presented to you now would not apply to this summer at all, because this summer's keep will be tremendous as compared with that of last summer, because the drought has been so great.

2101. How do you estimate the depreciation of cows: do you allow anything for depreciation?—Yes; I put that under the head of "Losses and Veterinary Charges."

2102. That amounts for the year only to about £23, does it not?—Yes.

2103. Then you have no depreciation really on your cows at all?—Except what would be contained in those figures. It means this: that a cow may lose a quarter, and, of course, when she is sold, that depreciates her. Another cow may cease to breed; we have to sell her fat.

2104. You have no systematic depreciation or valuation of your cows?—No; they increase in value, strictly speaking.

2105. That is to say, you bring them in as heifers, and when you sell them out as cows about 6 years old, they are more valuable than they were when you brought them in?—Yes.

2106. So that you really have two businesses running concurrently: the business of producing dairy cows, and the business of producing milk?—Yes, that is so.

2107. And the milk producing business would be on a different footing, financially, would not it, if you were buying in your cows and not replacing them yourselves?—Yes, that is so; but as a set-off against that, the average yield of milk would be much greater.

2108. I was coming to that, and I will come to it now. Your average annual yield is shown as 605 gallons. Is that the result of systematic testing?—Yes, we have always recorded our milk yields.

2109. Do you record daily?—Yes, twice a day; we have done for the last 23 years, so I have all those figures.

2110. As the result of that test you keep a breed from your better cows, and you eliminate your worst cows?—Yes, that is so.

2111. And, as a result, I suppose you would say your yield is substantially above the average of your district?—Yes, I would say so; except those dairymen who do not breed at all and are constantly buying newly calved cows.

2112. Buying in old newly calved cows?—Yes.

2113. That is to say, your average yield would be lower than the average yield, which is the maximum yield to-day?—Yes, very much.

2114. But, on the whole, your yield is high as compared to the country generally?—Yes.

2115. What class of cows do you keep—Dairy Shorthorn?—Yes.

2116. But you would not say that those cows on the average, just taken over the farms generally, would yield anything like 600 gallons. These are selected, are not they?—I should think there are a great many herds in Cumberland and Westmoreland that would give that yield.

2117. Are you familiar with the milk records of the late Lord Rothschild, or Lord Rayleigh?—No, I cannot recall the figures to mind.

2118. You cannot say anything about those figures?—No.

2119. Would you be surprised to learn that the average has never risen above 650 gallons in these selected herds?—The highest year was 683 gallons; then last year we fell to 540 gallons, and that is due to this fact. It is necessary for me to mention this. During the last two years the place has been enlarged, and we have three courses of dairy pupils during the summer. Half of those dairy pupils are novices, who have to learn to milk, and that is likely to reduce the milking of our herd. Although the cows are good and well developed milking cows, yet, at the same time, we are losing on that account.

2120. I want to keep to the question of the normal yield of the cows. I see your point of course. You have no doubt rejected a number of cows from time to time as being low milkers?—Yes.

2121. About how low would they fall; do you get cows yielding down to 400 gallons?—I do not think we get quite so low as that; we have had as low as 450 gallons.

2122. Would you agree there are a considerable number of cows in the country yielding less than 500 gallons—a large proportion?—Yes, I believe that is so. Of course, we do not wait beyond the heifer stage. It is quite possible that a heifer may milk poorly with her first calf, and may come up again, but we do not think it worth while to wait for that. If a heifer is a failure, we dispose of her at once.

2123. You give certain prices in your winter account. You give the selling price of swedes at £1 a ton. Was that the selling price in your district last winter?—Yes, that was about the price.

2124. Was not more than that obtained for turnips?—Taking the winter through, I do not think it was more than that.

2125. Again, the same condition would apply that we do not yet know about the prices of swedes; but you recognise that hay would be at a much higher price than the controlled price of last year?—Yes.

2126. And straw presumably also?—Yes.

2127. And again you give cotton cake; that also is substantially higher in price?—Yes.

2128. I notice you give the cost of production of hay at £3 a ton?—Yes, I take it to be that.

2129. What class of hay is that?—Meadow hay.

2130. It is not seeds hay?—No; cows get no seeds hay; horses get it.

2131. When you say "meadow hay," is that Timothy, or old meadows, or what are called natural grasses?—Natural grasses; old meadows.

2132. With regard to your labour bill; does not your cowman milk?—Yes.

2133. And he has the assistance of two people?—Yes.

2134. Is 9d. an hour the wages you pay?—Yes.

2135. Is it usual in your district?—It is now.

2136. *Mr. Rea*: Do you agree that it is better to have varying summer and winter prices, so that each season should stand on its own bottom, as it were, rather than have an overhead price for milk?—I think that is the only exact way of doing it; but I think, from the consumer's point of view it is a very unsatisfactory way. But it seems to me that if you come to charge higher for the summer, you will encourage the summer milk production, whereas if you reduce it for the winter, in order to get a more even price summer and winter, it seems to me, particularly in such a winter as we are going to face now, that a great many of the milk producers will give over altogether. There will be no profit to it.

2137. That is what I mean. The only way to safeguard a supply to the public is to pay a good price in the winter?—Yes, I think so.

2138. You breed all your own cows. You breed the calves, and bring them in as heifers, you say?—Yes.

2139. Do you use bulls from an approved milking strain?—Yes, we are very particular. We have missed fire sometimes, but still, our effort is always to get a bull from a good milking cow.

2140. So that in that way you will keep up the milk properties of your herd?—Yes, I think so.

2141. You will not be likely to have the same number of bad milkers as if you just bought the young heifers from the market, and took your chance?—No.

2142. So that you will not have very many bad ones to eliminate?—Very few indeed now.

2143. It is really very much the same system that we have practised with ewe flocks in the north?—Yes; you see in Cumberland we have a pretty good market for cows at their best for Edinburgh. There are about 200 newly calved cows go to Edinburgh every week, and we supply them very largely from Cumberland.

2144. Is your farm principally run for dairy purposes?—Mainly.

2145. I have not had very much time to study your figures closely; but in the home grown cost of production you deduct £49 from the figures. What is that for?—The rations that I have given are the full rations for a cow when she is in full milk. When she drops to, we will say, at any rate, a gallon and a half a day, she would not get the full complement of cake. Cake is a thing we cut down; and, again, when she gives less than that, she would get none at all.

2146. You regulate the feeding according to the state she is in?—Yes; and it really comes to this, that running the herd through, it means about a third of the full ration of cake for the year, and the one-third

price of the cake that is charged for the full ration amounts to £49.

2147. And you have worked out that on costs of production the milk can be put on the market at 6*d.* a gallon less than where everything has to be purchased. Where you take the market prices it equals 2s. 7½d. a gallon, and where you take the cost of production it is 2s. 1½d. a gallon, which leaves a balance of 6d. in favour of the cost of production?—Yes. Of course the charge there made for the profit is £66, you will notice. There is nothing put in for profit where the full market price of the food is taken, because that contains the profit of growing; but the profit there is a great deal more than it is on the other table.

2148. Yes; but this 2s. 1½d. is what it actually costs you to produce the milk?—Yes, that is so.

2149. So that any profit you get has to be on the same price?—No; the 2s. 1½d. includes £66. That is reckoning that on 20 cows a man must have at least £150 a year on the milk produced in the 28 weeks, and it is on the milk he makes his profit, of course. The share of the £150 would be £66. That is added in, so that the 2s. 1½d. includes a bare living out of the 22 cows. He can afford to sell it at that, if he is satisfied with the £150 a year income.

2150. What times of the day do you milk?—We milk at six in the morning and five in the evening.

2151. You begin at five?—Yes, we begin at five.

2152. Are they men or women milkers?—It is the cowman and two women except when we have the pupils there. When we have the pupils there they help to milk, but they are mainly in the form of novices. We calculate we should have to have the two assistants milking if we had no pupils at all.

2153. So that these two women are on late?—Yes.

2154. *Mr. Anker Simmons*: What is the acreage of the farm?—130.

2155. What proportion of that is permanent grass?—At the present time there is 59 acres of permanently arable land.

2156. That is 71 left for pasture?—Yes, that is taking the acreage of the farm; but it hardly comes to strict truth, because there will be, on the other hand, something like three acres taken up in buildings and yards and so on.

2157. You say 20 cows. Does that mean that you are only keeping 20 cows as dairy cows or that you are taking 20 cows in milk for these different periods?—No, that 20 includes the dairy herd—all cows that have calved.

2158. From your knowledge of them your Cumberland cows are above the average. I mean a Shorthorn cow in Carlisle market would make the highest price?—Yes; and it would make a higher price still at Penrith.

2159. You look for your winter dairy to produce something like two gallons of milk per cow per day?—Something like that.

2160. You would not be inclined to keep a cow on your hands that would not keep the average of the herd up to that?—No. Of course so much depends on the time of year that the cow calves.

2161. On the question of the proper method of arriving at the cost of production of milk, which do you say is the proper method to base it upon—the market price or the cost of production price of the foods that are required?—The only definite figures that you have of course are the market price figures; but on the other hand the true way of doing it, if one could do it without estimation, would be on the cost of production.

2162. Otherwise a farmer would get two profits, a double profit, if he charged against his dairy the hay, roots and so on at market price?—Yes.

2163. I mean assuming the price of milk was based in that way, the farmer would be getting two profits if it were based on the market value instead of on the cost of production?—Yes.

2164. Of course that refers only to the items which the farmer grows?—Yes, exactly. Of course a man might expect a little margin over and above what he gets from charging to his cattle the market price just to cover risk. There is always a little risk over and above what there would be if he marketed his crop.

2165. I see you put the gross cost of producing swedes at £20 the acre. Is that based upon the year expiring last Michaelmas?—Yes.

2166. So that it would be rather more, by reason of the increase in labour, this year than last year?—With us there has not been a great deal of increase in the price of labour this year.

2167. Then I see you deduct half of the tillage and half of the manure. Is that a fair deduction if you are drawing your roots off the land?—No, I do not think so; but you see we reckon that practically all our roots go back on to the land again; that is to say our liquid manure is collected in a tank, and it is always pumped over the manure in the covered manure shed and there is very little waste.

2168. It is a custom that I am well acquainted with where the roots are fed to sheep on the land. We follow it in the Home Counties. But where the roots are drawn off the land and fed to cows, do not you think it is rather a liberal deduction?—It may be; but you see I have put nothing down against the results from the cattle. I have not allowed anything for manure from the cattle, but have charged it to the roots.

2169. I see your labour works out practically at £8 per cow per year?—Yes.

2170. Could you give me an idea what would be the difference between the winter labour and the summer labour; or would there be any marked difference?—Yes. I think I practically give it.

2171. As 95 is to 70?—Yes. During the summer time the cowman is on field work a great deal.

2172. Do not you think it is rather a liberal allowance to allow 3 people for 20 cows? It is in excess of what we would calculate in the Home Counties. We reckon there that a good milker would milk 12 cows. Here you have 3 hands milking 20 cows?—Yes; but you have to take this into account, that the cowman has to look after the rest of the stock as well.

2173. His time is not wholly taken up with milking? You have other stock besides?—Yes.

2174. So that they are not employed full time?—No, scarcely that.

2175. On the question of an all year round price, would you say that it is at all universal in custom for the man who runs a summer dairy also to run a winter dairy?—It is always so with those who are engaged in the milk trade. They must do it. They would not get anyone to make contracts with them for a summer milk supply alone, if they could not agree to contract for a minimum amount in the winter.

2176. Was not it your custom in pre-war days to have two contracts, one for the summer and one for the winter?—Yes; but it was generally stipulated that if for instance they agreed in the summer contract to supply 60 gallons of milk a day, one of the conditions of contracting was that they should also guarantee to supply 40 gallons of milk in the winter.

2177. So that in actual practice the contract was for a year with differential prices as between the summer and winter?—Yes, that is what it amounted to.

2178. You are aware of course, that that would not be the case perhaps in Somerset or Dorset?—It would not be the case in the cheese-making districts at all, of course.

2179. Then, in a word, you are of opinion that with your system of farming, and taking the cost of production as the basis of calculation, and allowing the man £3 a week in return for his management, it is possible to produce milk at 2s. 2½d. a gallon?—Yes.

2180. And that anything he got over that would be absolutely net profit?—Yes; that would be profit over and above the £150 a year. Of course I regard the £150 as the minimum to fix, because it is only 10s. a week more than his cowman is getting.

2181. It is simply an item?—Yes.

2182. *Mr. Overman*: What is the class of land you have?—It is a good strong loam.

2183. What is the rent you pay for the 130 acres?—It is the property of the Cumberland County Council, so there is no rent paid; but we are rated at £2 the acre.

2184. What would be the rental value of the farm if it were on the market?—It would be easily £2 5s. per acre.

2185. Do you have your calves born at any time or as you want them? Do you regulate the calving of the cows?—Yes; we like to have as many cows calving in the autumn and before Christmas or just after Christmas up to the end of January as we have during the spring and summer. In order to get that and not lose time with our cows by regulating them, we start with the heifers on this basis, which does not, of course, work out right but practically it does. When a heifer is served so that she can come in we will say calving in December or January, we calculate she will calve a month earlier each successive calf, and so by that time she comes in full flush sometimes in the early summer when she comes to her fourth calf for selling.

2186. You like to get your cows as near as you can calving in the autumn?—Yes, as many as we can. There would be no difficulty in the spring calvers; that is natural.

2187. How do you rear your calves; how long do you keep them on the cow's milk?—Not at all.

2188. You take them straight away?—The moment they are born.

2189. Then what do you bring them up on—milk?—Yes, up to a certain time; separated milk of course, up till about 5 months old.

2190. Have you to keep up a regular supply now in your contract?—We have no contract.

2191. You do not put anything at all down on your account as a matter of fact for depreciation, do you?—I have tried to do as little in the way of estimating as possible, and taken the actual facts. We have not had a cow die, I do not think, for 5 or 6 years; and it is only an occasional one losing a quarter. We had a cow last summer lose a quarter, and one again this summer.

2192. When they lose a quarter, or when they get so that you consider they are of no use to you, you graze them I take it? We generally keep the flesh pretty well on them. There is not much to do in the way of fattening when they are done.

2193. Therefore you think you lose nothing on your cows at all?—No, no more than is just mentioned there.

2194. And what it has cost you to put on the meat, you charge to your milk account?—She would not fetch as much in the market of course as a fat beast, as she would as a dairy cow.

2195. Not as a pedigree cow?—Not as a cow newly calved with full flushed milk.

2196. Are these dairy shorthorns?—They are all now except two or three, simply because for 23 years we have kept a pedigree bull and so we have gradually got into pedigree.

2197. They are all now in the Book?—Yes; they are all in Coates.

2198. So that when you do lose a cow, the depreciation must be still larger?—Yes; but with those short pedigrees it is not a matter of so much moment as with a long pedigree, where the bull calved would be eligible for rearing for the Argentine or something like that.

2199. No; but a cow which is in any way a pedigree animal, is worth half as much again we will put it?—Yes.

2200. So that your loss on account of depreciation, which amounts here altogether to a little over £1 a cow, would hardly meet the case of an ordinary farmer?—Of course the depreciation with a man who purchased all his newly calved cows for the milk market and did no breeding at all, would be very much greater than that. He would probably lose £5 a head on every cow he bought.

2201. I do not quite see that point; because he starts with an animal which is worth less money? I mean to say this, that a milk seller now finds he is running short of milk and goes to the market and will pay £60 for a newly calved cow. She will be a year older even if he only keeps her a year and sells her again when she is newly calved next year, and he stands all the risk which may happen during that 12 months. If anything fails, she will have to go into the fat market. He will easily lose from £10 to £15 on that cow by selling her fat, than he gave for her as a newly calved cow.

2202. From that statement, you must agree then that these figures do not represent the ordinary farmer's case?—No, not quite; but I have been trying for the last 20 years to induce the milk selling farmers to sell their bull calves as soon as they are born and get rid of them, but to keep the calves from their best milkers and rear them by some means or other even if they have to sacrifice a little of their milk—to rear them in other ways without the milk, to avoid this loss between the buying and selling price of cows.

2203. *Mr. Batchelor*: Do you keep accurate books in which the various items which you give us here are entered?—Yes, we do of certain of these matters. There are some that we cannot give accurately; it is bound to be an estimate. For instance, last September and October we were supposed to get all our stubble on our land ploughed before Christmas; but it was such a wet time that we could not get the horses on it because we dare not put our horses on wet land. The charge for that keep of horses would not be put against something else. In the ordinary way they would have earned their living by ploughing. Take the hay. We have got our hay in in 4 days. 6 acres of hay was cut and housed at the outside on the fourth day, some of it on the third day, owing to the light crop. We have had a year in which the hay has been bothering us for 6 or 8 weeks with constantly wet weather, and we did not get as good hay then. So that it is extremely difficult to represent that really in figures.

2204. Yes; but as a rule you endeavour to keep separate statements of costs?—Yes; and of course we do from year to year keep as many as we can of the growing crops, too.

2205. Will you look at the summer period. You put cake, 20 cows, 2 lbs. each. Is that what they get?—No, they do not all get that. Some get 3 lbs. and some get 1 lb.: but that is the average.

2206. That is 40 lbs. per day? Yes.

2207. For 168 days, I make that to come exactly to 3 tons, which at £20 a ton would be £60 and not £92 10s.? I have got £60.

2208. I have £92 10s. on mine?—What does the total add up to?

2209. £334 8s. 2¼d.?—Mine is £321 18s. 2½d.

2210. Then you have the wrong figures?—It is that £321 18s. 2½d. divided by the 6,776 gallons that gives you the 11·4d.

2211. We have 12¼d. There must be some wrong figures here. Did you put in another statement?—No; but in making the copy from my rough notes it is just possible I may have miscopied it.

2212. At any rate the figure should be £60?—Yes. This is really the paper; I will show it to you.

2213. I see what they have done. They have added £32 in and made it £92 10s. It makes your cost even less than we have on the paper here?—Yes.

2214. You put down the rent as against milk production, I calculate, at £10 a year?—Yes. We have to estimate. The buildings are rated altogether as an institution: and all at £87. That is the rateable value of the whole affair.

2215. Do you have your animals and your stock insured against fire?—Yes, I believe that is so.

2216. There is no fire premium here?—No, it is not down.

2217. I presume also you insure your workmen?—Yes.

2218. And you pay the National Health Insurance?—Yes.

2219. And you also pay for coals and light?—No, there are no coals and light.

2220. Then in regard to the washing of your dairy and utensils, do you not require any boiling water?—Yes; but you see that comes in our dairy working, really. I may say this: that the charge for the two women includes the cooling of the milk if it was sent away, or in our case not the cooling but separating of the milk, and the washing up of the utensils when pupils are not there to do it.

2221. And when pupils are not there you make no charge?—No. If they were not there these women would do it just the same.

2222. Yes: but would they do it in two hours a day?—They would not be milking as much as that, the full two hours, in the winter time. When I put the

hour in the morning and the hour in the evening to these women, I did not mean to say they were milking during the whole of that time. We generally get the milking done in half an hour; but there is other work these women are engaged in, such as the washing up.

2223. Something should be charged, should there not, for the upkeep of utensils and repairs?—Yes, I put that down in depreciation.

2224. I am talking of the upkeep in addition to the depreciation?—In the depreciation I rather include replacement too.

2225. Do you think that is sufficient; that 10 per cent. will cover all upkeep and cover depreciation?—Yes, I think so, because the machinery we use is very small indeed as far as the cows are concerned.

2226. On the question of machinery, I notice you have no depreciation of it in the summer period?—No. The only depreciation in the summer period is on the milking utensils and that sort of thing.

2227. So that your depreciation is not 10 per cent. for a year on your machinery?—No; 5 per cent

2228. Then you put in the price of cake at £20 a ton. Is that delivered at your premises or at the railway station?—At the railway station.

2229. How far away is that?—We are a short two miles away.

2230. Who pays for the carting from the station to the byre?—We do our carting ourselves.

2231. Do you charge for it agninst the milk production?—No, I should hardly think we do.

2232. Why not?—It might be.

2233. Surely it should be. I think you would agree it should be?—Yes, I think so; but in the matter of the insurance you were speaking of just now, it so happens that the insurance is managed by the Accountant at Carlisle amongst all other County Council insurances, and so I do not actually pay it That is the reason why it was not included there.

2234. Do you know if there are any other such items that you do not pay, but which are paid? There is the men paying the contribution to the Health Insurance. I pay that.

2235. I have made another calculation in the winter period; and that is, that you allow off one-third of cake for cows giving little or dry—£49. You told us that they get 4 lbs. of cake per day, and there are 196 days and 20 cows. I make that to come not to £49, but only to £46 13s. 4d.?—The way I reckoned that was this. You see in the full ration there is 9d. charged for cake. I knocked off 3d., and 3d. a day for 196 days for 20 cows comes, I think, to £49.

2236. I was taking it on the actual price of the cake, £46 13s. 4d.?—I expect that would be getting the even pence, the 9d. Perhaps the difference lies there.

2237. You have your cowman down here as working in the winter 45 hours a week. During part of that period he is milking, I understand?—Yes.

2238. About how many hours would he be milking—about two hours a day?—That is so. Then the rest of the time is the feeding and attending to the cows.

2239. Would not he get it all done in the remaining hour?—He has to attend to all the understock as well, in just about the 10 hours that they work.

2240. Is that man ever paid overtime?—No. He will be if we work in hay time.

2241. But not in connection with milk production?—You see, the rule with us in Cumberland is this, that we are allowed customary hours; but the customary hours have now been defined as 63 hours, which is 10 hours a day for six days a week and three hours for Sunday. For that they get a minimum wage which would amount to 48s. 6d.; but, as a matter of fact, our men get 50s., a little above the minimum.

2242. Can you tell me during the period under review, which is the middle of May, 1918, up to the middle of May this year, whether Cumberland cows were not of considerably more value than £46 a-piece?—It was no use for me to estimate at all, and I have taken the value as on the 31st March, our annual valuation. We have two of the most experienced valuers in Cumberland.

2243. Yes; but I put it to you that you would not be able to buy those two cows in any market at less than £70 apiece?—No, you could not

2244. So that your interest on capital being based on £45, is much less than that of an ordinary farmer?—I do not know. You must take this into account. You see some of the cows are strippers. Some of your cows are half way through their milking period. It is only the cows that are just newly calved that are at their very maximum and will be about two months, that are worth £60 to £70. So that if you level the lot of heifers you have brought in—cows that are dry and cows that are half dry—I do not know that £45 is a bad average.

2245. Did I hear you correctly state, in answer, to Dr. Douglas, that last year the average yield would be something like 540 gallons?—Yes.

2246. Are the figures you give us in the accounts, 605 gallons, exact figures?—No. I thought it would be unfair to give the 540, for the simple reason as I explained that our figures are of no value whatever as an estimate in the near future, simply because we have to teach these girls to milk, and it is ruining the milk yield of our herd although they are most excellent dairy cows. I have taken the average of 5 years.

2247. But may I suggest to you you have not taken the average of five years in regard to wages, in regard to depreciation, and in regard to the other items such as thistle cutting and hedging?—No; those were facts.

2248. Against that on the other side, instead of a fact which should have been something like 540 gallons you give us 605?—Yes; but you see that would have been a misleading fact.

2249. No, it would have been a fact?—But it would have been an exceptional case.

2250. But it would have shown the exact cost during the period under review?—Yes; but it would have been unfair to have made any deduction from that.

Dr. Douglas: I feel bound to say, in getting the statement from this witness, I thought I was getting the actual facts in the year.

2251. *Mr. Batchelor*: I will put it in this way. Do you expect for the year now begun to get 605 gallons?—No, I do not.

2252. So that the figure you have given us is an old figure you used to get?—It is not a very old figure because it is an average of five years, which would be a true representation if it had not been for our peculiar position as an educational establishment. You should not have asked me to come and give evidence unless you were satisfied to take a certain amount of estimation in the matter, because ours is entirely an exceptional case.

2253. I have no objection to the estimation so long as I know it is one; but on the face of it here, we were under the impression, I think, that you had given us the exact cost of production, and on the other hand the exact yield for a definite period, the middle of May of last year to the middle of May of this. With regard to cows, I think you told Mr. Overman that a proportion of your cows at least calved about December?—Yes.

2254. In this summer statement you have calves 18 at £3, £54. There is no word as to calves on the winter statement at all?—That does not come in as part of the estimation at all. I merely stated that as a fact.

2255. That is for the year?—Yes. I mean to say that none of that value comes in the milk production.

2256. I perceive that no credit has been taken for it?—No. The farmer gets that value over and above his £150.

2257. You have estimated the gross cost of growing swedes at £20 per acre. Is that for the 1919 crop?—No, that is for the 1918 crop.

2258. What would you consider the 1919 price might be?—Judging from the appearance of the crops at the present time, I should think it would be £25 an acre.

2259. £25 an acre, and how many tons?—It would be a clever man who would estimate that, but I have estimated it at the 20 tons.

2260. Last year; but this coming season?—This year it will be less; but I do not know what.

2261. Considerably less?—Yes; yet in our district in many places there is a fairly even plant although they have come so irregularly, and if we could get a

good soaking rain at the present time there might be a fair turnip crop yet in many fields.

2262. *Mr. Ashby*: I understood you to say, in reply to Mr. Batchelor, that there were two items of cost not included in this item; one insurance, including fire and accident insurance and ordinary workmen's health insurance; and also cartage of cake for roughly about 10 days a year. Those two items together would not make a large sum, would they?—No.

2263. They would add very little to the total cost?—Yes. There is another thing. You see we try always to have a return load. For instance, if we were sending corn and potatoes to the market, we should not come back empty, but we should bring a load of coal or something back, as often that way as possible; so that it is rather difficult to allot those things.

2264. The total addition which these items would make to the total would only be a very small fraction of a penny?—I should think so.

2265. Do I understand correctly that the total profit, including the expected profit for management, on this statement, consists of the sums of £84 in the summer term and £66 on the cost of production side in the winter term, the difference between the stated gallon cost and gallon price and the credit for calves; is that correct?—Yes.

2266. Could you tell us whether this matter of the training of milkers is a temporary matter due to the necessity of training milkers because of the shortage of labour during the war, or is it going on in the forthcoming year?—It is going on. We have always had to teach a certain number of pupils that have come, to milk, but only the last two years more particularly, and this last year it has never meant more than two or three that have never milked before in our course of pupils; and, of course, we have generally only stripping cows to put them on to, so that they do very little damage to them. But you see we have been having land workers, and we take double the number of pupils now than we used to take; and it has meant that we now get such a large number learning to milk that we are obliged to put them on to the good cows, and that is where the loss comes in.

2267. That is to say you have had an abnormal number of women to train as milkers?—Yes.

2268. And you do not expect that number to be as great in the near future?—I think so, because we shall continue to train dairymaids just the same. You see it is part of the course that they have to learn to milk.

2269. But will they have the same type of women as those you have trained in recent years who had never milked, or will they be the daughters of farmers of Cumberland and Westmorland who have milked before they come to the school?—Some will be fewer than we have had the last 12 months, but there will be a considerable number still. It is getting out of custom almost for the daughters of farmers to learn to milk.

2270. But the point I am trying to get information on is, whether the effect of the training of milkers on your milk yield has been abnormal, or whether you expect that effect to become the normal effect?—I expect it to become the normal effect.

2271. So that you do as a matter of fact expect to get rather a lower yield of milk in the future, than you have done in the past?—Yes; of course that applies to the place purely as an Educational Establishment, and not as a local dairy farm.

2272. Am I right in assuming that the chief productions of this farm of 130 acres are milk, possibly some calves and store stock, and the cows you sell as prime milkers?—That forms a large proportion; but then we sell seed corn, we sell potatoes, and we rear young horses and sell horses. Then we have a breeding flock of sheep, consisting of a herd of 50 ewes, and something like 80 or 90 lambs to sell fat every year. Young horses are constantly being bred and reared, and going into the market. This year it has not amounted to half our marketing, because we have sold such a lot of corn.

2273. Taking the herd of cows in its total business aspect and not limiting it for the moment to milk, is not there another item of profit in the difference between the £45 you state here as the average value, and the selling price of the prime cow you sell?—Yes.

2274. *Mr. Edwards*: Are you satisfied that you get a return for the 2 lb. per head per day that you give to your cows in the summer on the grass?—I do not quite follow.

2275. According to your account you give 2 lb. per head per day of cake to your cows. Are you satisfied that you get a return for these 2 lb.?—Not exactly; but our experiments that we carried out some years ago proved that up to the end of July we got no more milk or butter with cake than we did leaving it alone. From that date onwards it made a lot of difference. But there are other factors to come in. For instance, we cannot get a firm butter on our farm unless we give cake, and we give it not merely for the milk yield, but for the quality of the produce. But when 2 lb. is mentioned, that is really dividing up the quantity given the whole summer. Some of them may not be getting it for part of the time.

2276. I think you also said you sold your cows after 4 calves; that is about 6 years old?—Yes.

2277. Do not you think that that affects your yield considerably?—Yes.

2278. If you kept some of them at all events for many years more, your average yield would be considerably higher?—Yes; but then you see we must make room for the young cattle coming in, and after all if you put any check on the breeding that is where the mischief is coming in. There is so much check put on the rearing of stock by people not rearing calves at all, that the stock of the country has become depleted.

2279. Yes; but do not you think it would be a serious loss if we should all dispose of our cattle practically before they reach their prime at 6 years of age? It would be a much more serious loss really than the lack of breeding heifers coming in?—Of course that is not a new thing. It has been going on for the last 25 or 30 years. It is not being done any more now than it has been for the last 25 or 30 years.

2280. On your farm you mean?—On any farm in Cumberland. That is where they make the greatest amount of money. That is what induces them to make butter. People are always preaching to us that we should not make butter but make cheese; and our farmers tell us plainly they do make more money on it.

2281. And the cows are sold to dairies somewhere else?—Yes.

2282. The point is therefore, that your average yield here is of practically no value. It amounts to that?—As I said just now, you should have asked a purely milk-producing farmer to come and give evidence to you if you wanted to get the exact price of milk; that is a man who buys his cows, does no breeding at all and sells his milk. If you ask me to give evidence, I can only give evidence on the experiments we are following on our farm; and let me say this, that as far as our average yield is concerned, we have 3 cows in our herd that had over 1,000 gallons of milk a year, and several have given 800 gallons, and others 700 gallons.

2283. What proportion of your heifers turn out to be failures? You said you would dispose of them in a year?—We bring in about 6 or 7 heifers a year, and that means that we reject 2 or 3.

2284. *Mr. Green*: Could you give us the total profit of the entire farm? Do you want the average profit or the profit of last year?

2285. The actual profit of last year?—The actual profit of last year was £500 and a few odd pounds.

2286. Just over £500?—Yes; you may put it at £500. When I say that that is the actual profit, I meant to say that is the profit that would come to the farmer himself if he were farming. I do not mean to say that that is profit over and above a fair allowance made to the farmer himself. That would be the sum available that the income tax would be charged on at any rate.

2287. Can you tell us the labour cost of each cow?—I have not divided it up, but roughly speaking about £10 a cow.

2288. You are the Mr. Lawrence who is quoted in one or two books on dairying, are you not?—I dare say.

2289. Do you take away your calves at once?—Yes.

2290. You do not leave them with the cows 3 days?—No, not at all.

2291. And you do not have much milk fever?—No; we have only had one case of milk fever in 27 years.

2292. *Mr. J. M. Henderson*: You have given your profit as £500, the general profit?—Yes, that was last year.

2293. You spoke of horses. Do you make any profit on horses?—Yes, a considerable amount.

2294. Can you tell us what amount you did make last year?—I cannot straight off; because you see they are not young horses we have bought and reared and sold, but they are horses that we have bred, and I cannot tell you offhand now what it has cost us to rear them.

2295. You breed horses?—Yes.

2296. How many did you breed last year?—Two foals last year; then we had two foals the year before.

2297. Do you do anything in the way of cattle feeding and cattle selling?—Yes. If we do not keep strong bullocks on and if we sell them as young stores 12 months old about, we generally buy 8 for winter feeding. We did not last year, as we were afraid we should run short of food.

2298. That was a good deal because of the Irish position, was it not?—No, because we were rather short of hay and roots.

2299. Were not the Irish cattle largely sold to the Army?—Yes; but we do not buy Irish cattle for feeding. We buy Shorthorn bullocks.

2300. You do not rear your own calves, but sell them?—Just now as we have been going in for cheese making so largely at the instance of the Board of Agriculture, we have been selling all our bullock calves, but we keep all our heifers.

2301. Do you do a large business in butter?—Yes.

2302. And eggs?—Yes.

2303. You are also a school?—Yes.

2304. Does the fact that you are a school tend to increase your profit?—No, it detracts from it, and it makes it impossible to differentiate in many cases between the actual charges which should go to the farm and those which should go to the school.

2305. You would not put yourself down as any criterion for an ordinary farmer who had not a school attached to his farm?—No, not quite. We try to keep a distinction as much as we possibly can, but it is not always possible.

2306. Could you supply us with a balance sheet for the whole of your business?—I can supply you with our last year's report which will contain it.

2307. What we are on the hunt for is a balance sheet which will show what your revenue was and what your expenditure was in all its details, and it cannot be a very elaborate thing. I do not want to trouble you about percentages, but I want the actual figures?—That is published in our annual report.

2308. A balance sheet?—Yes. There would be no difficulty in sending you copies of that. The one ending for the year 31st March last is just out.

2309. Would you be so kind as to do that?—Yes. The only thing is this, that the farm and the school are not actually divided there, but the items are all given separately and you could pick them out.

2309A. Then it does pay you to make cheese?—Yes. we make some tons of cheese.

2309B. It takes two gallons of milk to make a pound of cheese, does not it?—One gallon.

2310. *Mr. Thomas Henderson*: You said in reply to Mr. J. M. Henderson that the commercial aspect of your farm was rather a secondary object. I take it you are really a school?—Yes.

2311. So that you do not run it on entirely commercial lines?—No.

2312. So that the figure to which Mr. Batchelor referred of 605 gallons is not the actual figure for last year?—No, not for last year.

2313. But it is based upon your experience of previous years?—Yes.

2314. Are there any dairy farms in the neighbourhood of your school?—Yes.

2215–17. Does their milk yield show as big a production as yours?—I should think quite. With those who deal in milk selling I should think it is higher because they are always buying the newly calved cows, heavy milking cows, That is how it is they sometimes get nipped in the matter of being under 3 per cent. of butter fat, because they have nearly always flushed cows in.

2318. *Mr. Prosser Jones*: You have told us you have one man and two women working on this farm?—No, we have three regular men working on the farm. One of them is the cowman as put down here; then there are two women, one of whom is the cowman's wife, and the other is a woman who works in the house, and they help with the milking.

2319. Do you find these people becoming less efficient than they were, say, in 1913-14?—I do not know that there is much difference, because these are not young women. These are women who learned in their childhood; and it would come in at that time, I should think.

2320. You give the hours as 45 per week. Is that an average for your district, or is it an exception in your case?—That is only referring to the allocation of time of the cowman to the actual cows that are milking. He works more than that; but then that other time is devoted to the younger stock. It would have been unfair to have put in his full wages against the cows and the milk yield, because a good deal of that time would not have been devoted to the cows at all; he would have been engaged with his other work.

2321. You are able to produce milk in the summer months at about 1s. 1d. a gallon, are you not?—It works out really at rather less than that on my figures.

2322. Yes; but after taking away the £32 as Mr. Batchelor pointed out, it is reduced considerably?—Yes; but as I said before, that does not apply to this year. It is by no means the price this year, because we are cutting green corn to feed our cows on.

2323. Could you tell us what it costs the consumer? Is it about 1s. a gallon?—I think it was fixed at Penrith during the summer time at about 1s. 8d. or 1s. 6d. a gallon. I do not know really, but I think it was 4½d. or 5d. a quart in the summer.

2324. *Mr. Lennard*: From your knowledge of milk-producing farms of an average sort, do you consider there is much room for improvement in the milking qualities of the average herd?—I think so; and we are moving rapidly in that direction at the present time, because the two milk-recording societies are rapidly extending. Another thing is, that we have just formed a dual-purpose short-horn herd book in which the registration will be based on milk yields, and that in future must have a very important effect on the milk yield. It is a thing we are paying a good deal of attention to in the North.

2325. An improvement could be obtained by energetic effort in a few years?—I think so.

2326. And any improvement in milking quality would, I suppose, reduce the labour costs of a gallon of milk, would it not?—Yes; there ought not to be any more labour, or not much more labour at any rate.

2327. Do you think there is more room for this improvement in the South of England than in the North?—I do not know. I cannot speak for the South of England, of course. If you increase the same stamp of cow, although your labour would not increase your feeding would.

2328. Do you think there is more room on small farms than on large?

Chairman: The evidence of the Witness as to whether it is a small farm or a big one, or the North or South of England, would be useless if given.

2329. *Mr. Lennard*: I suppose you would agree it is practically impossible to improve the milking quality of a herd if no milk records are kept?—I would not say that.

2330. It would be very difficult?—Yes.

2331. Is it within your knowledge that the majority of milk-producing farmers do not keep milk records?—Yes.

2332. Have you any experience of milking machines?—Not at our own farm; but I am familiar

enough with farmers in the County who have milking machines.

2333. Do you or do they consider them satisfactory?—There is a divided opinion. Some think they are satisfactory, and some discard them after they have had them.

2334. It is difficult to keep the apparatus clean, is it not?—That is the difficulty.

2335. *Mr. Nicholls*: I only want to ask you about the heifer that is a failure. Do you fat it, or is it sent to the market?—It is fattened.

2336. Then about the type of woman who comes for training in milking. I think you said there is not such a large proportion of farmers' daughters?—There were not this last two years; but before that they were mostly farmers' daughters, and they will be in the future.

2337. What is the type you have had lately. I only want to know whether they are the type of servant girl?—Our Committee made the rule that we should keep our places vacant for land workers; so that practically we have been having 10 pupils, ordinary pupils, who would be farmers' daughters, and 10 that were land workers. Some of those that were land workers could milk, but the majority could not, and some few of the others could not.

2338. *Mr. Parker*: I am only going to ask you one question. I think you mentioned that on your farm of 130 acres you made a profit of £500?—Yes. I hope you will not strain that point too far.

2339. What I want to know is: was that a cash profit or was it a paper profit obtained by the inflated values of the valuation?—It was partly due to the inflation shown in the valuation; that is to say, our stock this last year was valued at £200 more than it was the year before, but the stock was worth that much more.

2340. Yes, I know that; but of that profit of £500, £200 was obtained by writing up your stock?—Yes, according to the valuation. It was not our own fixing.

2341. *Mr. Smith*: Do you experience any difficulty with regard to the lack of proper transport or marketing, or handling goods to and from the farm?—Not in our position. We are so conveniently situated; we are not quite two miles from the station on the main line of the London & North Western Railway of a market town.

2342. So you are fairly well served?—Yes.

2343. I take it these figures you have submitted to us are not necessarily a balance sheet of milk production?—No, it is not in the form of a balance sheet at all.

2344. I take it in the disposal of cows, they would come in on the credit side. There will be some cows sold from the herd?—Yes.

2345. Is there any allowance made for things of that description, or how do you come to that?—I think that the valuation taken at any particular period of the year, giving what the valuers consider to be the value of the cows right through, really contains the substance of what you ask for, because we do not expect to realise more than their valuation during the following year on any that are sold. They will be increasing in value from that time. For instance, if a cow is gone, we will say, six months in calf, and she is giving very little milk, she is valued at a certain valuation. We keep her another three months and she comes up to calving, and we sell her then. She sells for a big price, but she is only worth that big price for just a short time. We have only been keeping her to get that valuation. Unless we keep it for every cow for the sales, and so on, I do not think we can do anything more than take the average value at any particular time.

2346. I see your costs here include interest on capital as well as putting in profits, so really on these figures the surplus would be not £150 but £217 over actual costs?—Yes; but surely you will allow that there must be interest on capital apart from working profit.

2347. But that could really be termed profit over actual working costs of production, could not it?—A man need not have engaged in farming at all. He could have invested that money in War Bonds, and done nothing at all but sit down, and he could have got the interest on the capital. The £150 is for his work as a farmer.

2348. *Mr. Smith*: I am only drawing attention to the fact that that is how the figures are working out?—Yes.

2349. And taking that as a balance, the balance would be £217 and not £150, looking at it from that standpoint, because you have £27 10s. and £25 18s. to add to the other figures.

2350. *Mr. Walker*: As the result of the fixing of milk prices as at present existing by the Ministry of Food, could you give us any idea of your profit?—I could not at the present time; but retrospectively I think you might take this as a basis here.

2351. That does not quite answer my question. Could you supply the figures I have asked for?—Yes. I could go into last year's prices of milk for each month.

2352. I am enquiring about existing prices?—I could in this way: that I should have to find what it has cost us to produce the milk, which is rather difficult for a short period of years. You see we cannot do it for the summer time because we are only in the middle of the summer yet, and there is the cost of the feeding of the cattle, and so on. Then against that, of course, there are the prices that have been fixed. There is no difficulty about getting at the prices that have been fixed and the quantities of milk which are registered regularly. The difficulty would be in finding the cost of production at the present time. I am in great difficulties over it, because our grass land has not been feeding the cattle. This summer it is getting very nearly, if not quite at the present time, to the winter cost of keep.

2353. Yes; but has not the Ministry of Food fixed the price of milk at the present time?—Yes; but not to meet the cost of the present time in the North of England, at any rate.

2354. I repeat the question. Could you give us your profit on the prices fixed by the Ministry of Food? Could you secure them for us?—I could give you an estimate, and that is the most I could do.

2355. You could not give us the actual figures?—No, no one can.

2356. I understood from questions that you have answered, that you do make cheese and butter?—Yes.

2357. Is there any reason why the results of the making of that cheese and butter should not have been included in this statement? What is the reason they are not in?—I was asked to give evidence on the cost of milk production. I did not deal with what use was made of the milk. I took it it was in order that you might have some information as to the value of the milk, whether it was for selling or for whatever purposes it might be. I thought probably the milk selling was the chief consideration you had in mind. I think we have made more at cheese making than we should have made by milk selling. On the other hand, we have made less by butter making; but we have to make butter and cheese for the instruction of our pupils.

2358. My last question is, do you think there should be a guaranteed price for milk?—Yes, I think so.

2359. Why?—Simply because I have a little sympathy towards the consumer, being a consumer myself; but at the same time if there is not a guaranteed price, with the prospects that we have before us now, I think milk will rise to a very very considerable price above what it is running at, at the present time.

2360. I am dealing with a guaranteed price to the milk producer?—That is, you mean to say, a price that guarantees the production and allowing him reasonable profit?

2361. Yes?—That is fair enough.

2361*a*. You agree with that?—Yes.

2362. And also for cheese?—Yes.

2363. *Dr. Douglas*: Might I put one question arising out of the last question? Have you considered at all how a guaranteed price for milk would need to be administered, or whether it would entail the purchase of all the milk by the State as the guaranteeing purchaser?—I am afraid I have not.

Chairman: Thank you very much.

(*The Witness withdrew*).

SIR WILLIAM H. BEVERIDGE, K.C.B., Secretary of the Ministry of Food, called and examined.

2364. *Chairman*: As we all know, you are the very eminent Secretary of the Ministry of Food; and you have put before us a letter of the 4th August, and a short statement of the Heads of Preliminary Evidence, which you propose to give. May I, without reading the letter or the notes on your evidence, take them as read and insert them in the record of proceedings?—Yes.

HEADS OF PRELIMINARY EVIDENCE.

2365. (1) Ministry of Food,
Palace Chambers,
Westminster, S.W. 1,
August 4th, 1919.

DEAR SIR WILLIAM PEAT,

I SHALL attend before the Royal Commission on Agriculture, as arranged, on Wednesday, August 6th, at 10.30. I feel, however, some doubt as to the precise points upon which the Commission will desire me to give evidence, and I have experienced some difficulty, accordingly, in preparing any definite heads of evidence. I had thought of suggesting that it might be better for me to have postponed giving evidence until I had a clearer understanding of what was required and also more time to prepare a statement.

On the whole, however, I think that you would probably prefer me to keep the appointment as made for next Wednesday, and I have prepared some rather hasty notes on the points with which I would propose to deal.

I would suggest, if you agree, that this might be regarded as a preliminary attendance merely, at which I could put before you the general position of the Ministry of Food in relation to agriculture and learn from discussion what further and more detailed information would be likely to be of advantage to you. I am, of course, most anxious that the Ministry of Food should give to the Royal Commission every possible assistance.

You will realise also that I shall not be able on Wednesday to come with any definite suggestion as to policy. I presume that at some time or other the Commission will desire to receive such suggestions, but it would clearly be necessary for me to have a fuller opportunity of discussing matters with the Food Controller before attending for this purpose.

Yours sincerely,
(Signed) W. H. BEVERIDGE.

2366. (2) Ministry of Food has come into contact with agricultural community on two sides:—

(*a*) As taking over or controlling the price of agricultural products—cereals, meat, milk and other dairy products, potatoes, &c.

(*b*) As controlling feeding stuffs which are to a large extent either (i) by-products of oils and fats production, or (ii) cereals, home-grown or imported.

The two sides are connected, since the price to be paid for products obviously depends in part on cost of feeding stuffs which are farmers' raw materials.

2367. (3) Scientific costing in respect of agricultural products not yet possible. Agricultural Costings Committee set up jointly by Ministry of Food and the three Agricultural Departments, and is appointing staff, but is not in full work. Further evidence will be given by Director of Agricultural Costings.

2368. (4) Meanwhile prices for agricultural produce have had to be fixed by Ministry of Food (*a*) in the light of such statistical data as were available or could be gathered by special commissions; (*b*) on general considerations; and (*c*) by bargaining between themselves and the various Agricultural Departments and the representatives of the producers and other interests (Joint Officials Committee, Central Agricultural Advisory Council and War Cabinet) Summary of action taken in respect of particular products:—

2369. (5) *Cereals.*—

2370. (6) *Meat.*—

2371. (7) *Milk.*—Milk price of 2s. 3d. for winter 1918–19 fixed by Lord Rhondda after a discussion between representatives of producers (demanding 2s. 6d.) and consumers (demanding 2s.) on a Special Committee.

Travelling Commission for Summer Prices, 1919, on basis of farmers' returns less deduction of 2d.

Winter Prices, 1919-20, now under discussion. Four alternative calculations and prices now being put forward for criticism by producers' and consumers' representatives.

2372. (8) *Potatoes.*—1917: Flat scale, averaging £6, fixed by bargain between Food Controller and Board of Agriculture, 1918: Travelling Commission for England and Wales fixed differential scales for different parts of country, after considering farmers' returns and crop prospects. Departmental bargains for Scotland and Ireland.

2373. (9) *Difficulties of Price Fixing in Agriculture.*—

(*a*) Absence of precise figures except in rare and probably not typical cases.

(*b*) Varying modes of cultivation and varying yield resulting therefrom Potato Commission Report (par. 6).

(*c*) Uncertainty as to crop (especially potatoes, fruit) and yield (milk).

(*d*) Disagreement on principles of costing, *e.g.*, whether home-grown feeding-stuffs (hay, barley, oats, roots) should be taken at market or at production prices.

Possibility of using direct comparison between present and pre-war costs of production as basis for proportionate increase of prices. This surmounts in large part difficulties (*a*) and (*b*).

2374. (10) General comparison of present and pre-war prices to producer.

2375. (11) General result in maintaining production.

2376. (12) Suggestions for further evidence:—

(*a*) Facts.

(*b*) Policy.

(*This concludes the preliminary evidence.*)

Chairman: I shall ask Mr. Walker to begin.

2377. *Mr. Walker*: It appears from this statement you have put in, that it has been rather hurriedly prepared?—Yes.

2378. Have you prepared anything further since this?—No. May I interrupt to this extent? I have no objection to your putting this statement in as evidence; but I rather sent it in as notes on which I should myself have made a statement. I only give that as an explanation of the gaps in it. It is notes of evidence rather than evidence.

Chairman: It will be headed "Heads of Preliminary Evidence."

2379. *Mr. Walker*: In Item 2 where you state the Ministry has come into contact with the agricultural community on two sides, you give (*a*) and (*b*). Could you give us any idea of the general results of having come into contact with them?—Could you tell me what points you have in mind?

2380. You say here you have come into contact with the agricultural community on two sides, as to taking over or controlling the price of agricultural products. What has been your experience as the result of that?—Do you mean the result on production?

2381. Yes?—I did not know if you meant that point. So far as we can see, our coming into contact with agriculture has certainly not diminished agricultural production or prosperity. That is a negative result

2382. Going a little further, is it your opinion (and I put it to you personally if you like) that guarantees to the producers are essential to get the best results: that a guaranteed price is essential, say, for example, as it is under the Corn Production Act? Is it your opinion that those guarantees are essential?—No, I should not say so—not for all agricultural products. I am inclined to think that for some, and I instance particularly milk, there might be good reason for a guaranteed price, because there are such special difficulties in its production; but I certainly would not say it was essential for all purposes.

2383. Could you give us an idea of the special difficulties you refer to?—In the production of milk?

2384. Yes; could you enumerate some?—I think they are mainly the labour difficulties. It is a very laborious and difficult branch of the agricultural industry, involving conditions with which you are very much more familiar than I am myself.

2385. Any other besides labour?—I do not know that there are others besides that. I think they are quite sufficient for me to distinguish the case of milk from that of other products; but if you ask me why I suggest that a guarantee might be desirable for milk, even though it is not desirable for other reasons, approaching it from another standpoint, I should say that milk is an essential which can only be produced at home, and therefore it is more important to keep up the output of milk than of other agricultural produce.

2386. *Mr. Smith*: You say you make an exception in regard to milk?—Yes.

2387. Is that because you feel it is necessary to have a guaranteed supply for the nation?—Yes.

2388. Not because of anything you have come across so far as costs are concerned which would make it essential?—I do not understand.

2389. I understand your department has made considerable inquiries into these questions with a view to fixing a price. I was wondering whether in your investigations any difficulty in the cost of production had brought you to that conclusion, apart from the fact of the necessity of having an adequate supply for the nation from the point of view of the health of the people. The two questions are rather distinct?—Do you mean is there an unnecessary cost in production?

2390. I wondered whether your investigations had shown that the cost of milk production was such that in itself it needed a guarantee to get the necessary quantity?—No; I do not know that the cost of production involves a guarantee. It might if it were subject to foreign competition. Milk is not subject to foreign competition; so that I do not think you need guarantee a price to the home producer in order to avoid the industry being ruined by foreign competition.

2391. I suppose your department made rather extensive inquiries in regard to the matter of milk?—Yes, a good many.

2392. Did you find a very great variation in the cost of production?—Immense variation in the estimates of the cost of production.

2393. Do I understand from that that you were not able to get any exact evidence: that it was more a matter of guess work on the part of those concerned?—I think for most farmers it is guess work, because most farmers do not keep books. On the other hand, some do keep books and you get accurate results, but you do not know whether they are typical. That is one of the outstanding difficulties of costing.

2394. Where the accounts were kept which in your judgment might be taken as accurate, was there any great variation in the cost of production?—Yes, certainly.

2395. Could you give us any idea of the extent?—No. I would rather give you a definite statement as to the results of our inquiries later.

2396. Could you recall any special circumstance which contributed to the extra cost or the reduced cost of the production?—Of course the cost of production of milk, as one works it out, varies immensely according to whether you attribute to the feeding stuffs used produced by the farmer himself, their market price or their cost of production price. That is one of the big elements. Then I find the farmers getting apparently very different yields from their cows, which of course directly affects the cost of production. But quite generally, I think there are so few really accurate estimates that one cannot speak of any scientific costing in relation to milk at all.

2397. In regard to the yields, did you come across any evidence as to whether milk tests were being kept and how extensive was the keeping of milk records in the industry?—Yes. I have come across, I think it was, an estimate before the war. I think it was in connection with the Reading University College, but I am not sure; but somewhere there have been made very elaborate estimates, and there they got results of yield far above what the generality of farmers would admit.

2398. Do you think the investigations of your Department show in the cases where milk records are kept, that the yield would be higher per cow than on farms where no records are kept?—I have no doubt that is the case, because that leads gradually to the weeding out of bad milkers.

2399. Did you come across any instance of where the lack of transport was a difficulty adding to cost, which might be obviated by development in that respect?—I have no doubt there are such cases, but I have not got them in mind. I have not made a special study of milk costs as yet before coming here.

2400. The difficulty of price fixing is the absence of precise figures. I suppose we may take it that the average farmers do not keep books or accounts which enable the cost of production to be in any way accurately determined?—That is so.

2401. Have you anywhere come across a farm where they kept books, so that the balance sheet of the farm was available?—I have not done this costing myself.

2402. I did not know whether the investigations may have proceeded on those lines, and you would have the information in your Department?—I should have to inquire.

2403. One would naturally conclude that your Department, before determining the price of milk which was to be fixed, would have some evidence as to what it cost to produce; and I was wondering whether you could give us any of that evidence, and whether it would be taken from balance sheets or what channel you would obtain it through.

2404. *Chairman*: Or was it a process of bargaining between you and the producer? I see, for instance, in your statement, that the milkman's price was fixed in the winter of 1918 by Lord Rhondda after a discussion between representatives of the producers demanding 2s. 6d. and the consumers demanding 2s. That looks like splitting the difference?—It looks very like it.

2405. *Mr. Smith*: Can you tell me, as the head of the Department, whether you really pretended to bargain upon absolute facts of costs of production, or whether you intended to bargain as between the haggling market and what the buyer was willing to pay and the seller was willing to sell?—Generally speaking, I think all our prices have really been fixed by a sort of bargain and without scientific costing. We fixed prices because we had to. You will see that now when we come to this next winter's prices we have got three or four alternative methods upon which we are proceeding and we are bargaining. Personally, I am inclined to think we have suggested a method which might be of permanent value just recently in the way of fixing prices for milk and other articles; that is by comparison of the present costs with pre-war costs. I do not believe that until you get agriculture absolutely standardised (which, of course, you never will do) you can really build up a price accurately on taking the items in the cost of production. If you apply a theoretical daily ration, and say it costs so much and a cow must eat so much every day, you will find that ration does not suit perhaps half or three-quarters of the farmers in the country; that some give more and some give less, and you get a corresponding variation in the yield. I do not want to object altogether to a cost of production method based on a theoretical or average ration, because I think that is a useful second method; but I doubt whether it will ever, or certainly not for a long time to come, serve as the real basis.

2406. I see in (*a*), (*b*), (*c*) and (*d*), under the heading "Difficulties of Price Fixing in Agriculture," the whole of that seems to suggest that there was an absence of anything in the way of definite data to go on in the details of farm administration?—Yes.

2407. There is an absence of this, and, bearing on that, a disagreement you start with, which all seems to point to the fact that you could not get any definite evidence from the farmers?—That is so; I should like specially to refer to what I mention there. That is the Report of the Potato Commission. I may venture to read it because it is very appropriate. This was an independent Commission which tried to fix the price of potatoes, and ultimately did it, I believe, by a system of estimating on quite general grounds. What it said was: "We were everywhere impressed by the general ignorance of growers as to their cost of production. It is obvious that in the majority of cases farmers have never before considered the question

except in the vaguest way with the natural result that the most divergent views were expressed on these essential elements of our inquiry. We feel sure that the costs as presented to us were on the whole exaggerated, not from any intention to deceive the Commission, but owing to a general tendency to attribute to all potato growers in an area the advanced kinds of husbandry exercised only by the most enlightened few." I should like to put in the whole of that Report.

2408. *Chairman*: Would you kindly put it in and let us have a good many copies of it?—Certainly. I will make a note of that.

Dr. Douglas: Shall we have an opportunity of examining on it?

2409. *Chairman*: I do not know that Sir William was a member of it?—I was certainly not a member of the Commission.

Mr. Smith: Would not it be better to have the Report submitted to us, and then decide what to do afterwards?

Chairman: Yes.

2410. *Mr. Smith*: It is quite evident from your answers that you could not get any real data on the details. Was there anything available to guide you in so far as the final results of farm working were concerned? I mean, you may not be able to get the details; but was there anything to show how far a farm as a whole was worked although a non-profitable concern?—Before we fixed the price or after we fixed the price do you mean?

2411. Any time. It is only on the question whether you came across any evidence in that respect?—I think there is evidence to show that on the whole we have not fixed prices too low because we have not discouraged production. That is subsequent evidence; but it was not any guidance in fixing the price.

2412. My point is rather as to whether in arriving at your conclusion as to what would be a satisfactory price, you were guided by any general results of the farm in the absence of any details which might guide you in the actual cost of producing—whether there was any balance sheet or anything available to guide you in the form of definite information on farm working?—No. I think I can only refer to what I have got in my notes; taking article by article. With cereals it was practically a bargain of a certain number of people in the Board of Agriculture and us, who had a general knowledge of agriculture and general ideas in their minds as to how much costs had gone up. If you take meat, that is really the same sort of bargain based on some idea of how the cost has gone up. If you take potatoes we had this travelling Commission. If you take milk, I think we have had a travelling Commission, and we have had bargaining, and we have now got a suggestion which I have put forward that one should go on the line of taking the pre-war price as a basis, taking the proportionate increase in the costs of production and making that the basis of the price.

2413. Could you tell us whether you have any knowledge of a particular character as to how far these prices that have been fixed have been satisfactory to the industry?—I cannot speak as to every price. Some prices have been objected to and some have not; but generally, and I will give you the figures, I think I could show that, judging by the results upon the agricultural industry and the development of it, the prices cannot have been unsatisfactory. They have clearly been such as to develop the industry on the whole.

2414. In that respect, would it be fair to assume that you base your opinion on general results rather than specific instances or places where there is any detailed information?—Yes.

2415. *Mr. Walker*: Is not it a fact that deputations have been received at the Food Ministry, at the Consumers' Council, for example, from time to time for fixing prices for milk and beef, and so on; and has not it been held out by certain individuals, or at any rate we have been so informed, that "Unless such and such a price is forthcoming we refuse to produce; we cannot produce"? Is not that so? That is the process of bargaining, as I describe it.

2416. Has not the price ultimately been fixed on your own showing now, without having any data to go upon so far as actual costs are concerned? It depends what you mean by data. If you mean that we have not been able to apply scientific costing or anything like scientific costing, as we have applied it to the distributive trades in food, then I agree entirely, and ultimately all these prices have been fixed by an estimate after bargaining. But it has not been in all cases an estimate absolutely in the dark. I mean we have known how much the cost of feeding stuffs had gone up, we have known how much the cost of labour had gone up; and we have had estimates as in the case of potatoes of the yield per acre and the cost of production per acre. There has been a large element of estimate, but it is not estimate without information.

2417. But more or less we have been going round and round, as it were, in a vicious circle so far as the fixing of those prices is concerned; and the Food Ministry, in order to get the production and to get hold of necessities, have always conceded these demands more or less?—They have certainly not conceded the whole of the demands.

2418. Conceded many of them?—Certainly. The Food Ministry, in order to be on the safe side and not discourage production, I should say have generally given the benefit of the doubt to the producer in pursuance of their essential policy of putting supplies before prices.

2419. *Mr. Parker*: In the letter of the 4th August, which covered your evidence-in-chief, you say in the concluding paragraph: "You will realise also that I shall not be able on Wednesday to come with any definite suggestion as to policy." That was the Wednesday following the 4th August. Are you now prepared to put before us any policy, and by "policy" I mean the policy of the Ministry of Food or the general agricultural policy of the country, which you would recommend after your experience at the Ministry of Food?—I was referring there to the general agricultural policy of the country. I am not sure to what extent it is the business of the Food Controller to express views; but if you wished him to do so no doubt he would, or I would on his behalf.

2420. I think it would be interesting to the Commission to hear what policy would be recommended by the Ministry of Food after their great experience. I do not know what the Chairman says to that.

2421. *Chairman*: I agree. There is no objection to your asking the question?—But that is just the point on which I must have a discussion with the Food Controller; and I rather left it in the hope of learning from you what are the points upon which the Commission wants information and wants opinions. I am a little in the dark as to what information you want or on which points you want us to express an opinion.

2422. *Mr. Parker*: I was seeking to find your opinion for our guidance?—I have given one on policy: that it was the policy of the Ministry of Food to maintain the milk supply by guaranteed prices, which, of course, involves control, even if other articles were not controlled. I should say that perhaps a second most important thing that the Ministry of Food would regard would be, the pushing forward of an effective costing system in agriculture. I think that is one of the most important things; because it enables us to fix proper prices instead of bargain prices, and at the same time it satisfies the farmer that we are doing so, and does maintain his production.

2423. Then you would advocate minimum prices being fixed for other things besides milk, for instance cereals?—I should like to consider that. I do not want to say yes or no to that.

2424. Have you any costing figures that have been put before you that might be useful to this Commission which you could put in, which would help us to come to some decision as to the costs of production?—We have got a variety of figures of all sorts and kinds. I have, for instance, all the winter milk figures which we are discussing. These we can certainly send you. I do not think there are any figures upon cereals at all to speak of. Then there are potato figures. I will make a collection, and send them to you if you like.

2425. *Chairman*: Will you please send such things as you have?—Yes; only remember that that is now to some extent the work of the Agricultural Costings Committee, which is not a Ministry of Food Committee, but a Joint Committee rather than ourselves.

2426. *Chairman*: We have had Mr. Howell here; and he was kind enough to say he would send us what he had, but the Ministry of Food may have something quite independently of them.

2427. *Mr. Parker*: I gather discussion is going on with regard to the winter prices of 1919-20. Can you at all indicate the prices that are likely to eventuate from that discussion?—I do not think I can to-day. It may be settled in a week.

2428. But not now?—I should say the discussion is at its height.

2429. *Mr. Nicholls*: I wanted to ask you with regard to potatoes. Has your Department any representatives in the Lincolnshire and Cambridgeshire area?—Yes, as Zonal Chairmen.

2430. I wanted to know whether this Commission would be able to get the difference in the prices between Lincolnshire potatoes and Cambridgeshire, the Ely area—whether it is possible for us to find out in the cost of production what variations, if any, there are between those two districts. They are two great producing districts, and I wanted to know whether they tallied out similar?—Whether their costs of production are the same?

2431. Yes?—You can get estimates.

2432. But I mean on last year's production we have had potatoes which have been controlled, sold and dealt with by representative men of the Department. Is it possible for us to find out which of those two areas produced them at the cheaper rate? I know the two districts. They are both good; and I want to know if there is any difference per ton between them?—I will certainly find that for you.

2433. *Chairman*: You say in paragraph 8 of your "Heads of Preliminary Evidence," that a "Travelling Commission for England and Wales fixed the differential scales for different parts of the country after considering farmers' returns and crop prospects, departmental bargains for Scotland and Ireland." So that what you did in fact do was, fix different prices for different districts; and it would be useful to have the data upon which you fixed those different prices for the different districts? I will send you the Potato Growers' Prices Commission Report.

2434. *Mr. Nicholls*: What I am anxious about is, whether later on with regard to costing this Commission would consider it worth while to have further evidence from the men who had to do with it in the districts, and we could call them?—Certainly, but I only want to say that it was not the Zonal Chairmen who fixed those prices.

2435. I am speaking now of the representative who was in touch with your Department, and was responsible for these areas. A man is responsible for the area, and that is the only point I am anxious about. I want to get the actual cost of production?—I will give you the names of the Zonal Chairmen, and so on.

2436. *Mr. Lennard*: Do I understand that you propose to submit to the Commission a full memorandum on the points of which you have given heads?—No. I rather contemplated, if I was to have any examination-in-chief, going through it and developing these points. On any point on which I am asked for a memorandum, I will gladly submit it, but I rather contemplated developing and giving instances of those difficulties of price fixing in section 9, for instance.

2437. Has your Department any information as to factors likely to influence the cost of production in agriculture outside the British Isles, and therefore as to imported food-stuffs in the future?—We have information in so far as any body has it, certainly; but there is obviously great uncertainty. I mean no one can foretell either the supply or the demand in the case of many of these articles.

2438. But you would, perhaps, be able to give us some indication of the possible general tendencies: as to whether there were sources of supply which were likely to be developed, and the sources which were likely to be costly?—The business of prophesy is so very difficult. Take the very important article of linseed cake. We get diametrically opposite views as to the probable tendency of prices.

2439. But it would be less difficult in regard to a very bulky commodity of large volume like cereals?—Can anyone tell you what the wheat crop in America is really going to be?—No one can now.

2440. No; but you can tell us, for instance, whether the development of, say, the production in the Argentine, has been checked by retarded railway development, or whether the areas still suitable for cereal production and undeveloped have been considerably diminished so that the margin has become less considerable, and so on. I think we should be very grateful if you could give us any information of that kind?—Are you thinking of feeding stuffs or cereals?

2441. I am thinking principally of cereals?—All cereals, including wheat not merely maize feeding stuffs and cereals?

2442. I was thinking chiefly of wheat, oats and barley, cereals for which there are guaranteed prices at present?—You want such forecasts as we can get of the cereal position?

2443. Yes?—I will see that you get all the information that we have.

2444. If guaranteed prices of the cereals I have named were fixed at a level above the normal level of world prices that would involve a burden upon taxpayers in general, would not it?—Yes.

2445. Hence it would mean a charge on urban industry for the benefit of agriculture?—Yes.

2446. You would agree that guaranteed prices for cereals if higher than the normal world prices, would cause a larger proportion of the cereals we need to be grown in this country?—I presume that is the intention and would be the effect.

2447. If a larger proportion of the total supply were grown in this country, British climatic conditions would have a greater influence, and the market price would tend to vary more from one year to another. Is that not so? You would not have so large a proportion of the supply grown in a variety of climates and areas, so that a bad harvest in one region would be made up for by a good harvest in another. A larger proportion of your supply would be subjected to one risk?—I am not quite sure of that; because it is possible that the additional supply that we got from this country by a guarantee might otherwise have come entirely from some other one country which might therefore equally be liable to climatic conditions. I do not think that the British climatic conditions, so far as I know, are more variable than those of any one other country.

2448. But is it likely on the whole that the margin of land where the particular costs of production prevail which you were rejecting as a source of supply by this method would be found entirely in one country of the whole world?—No, I suppose not likely; it is not impossible.

2449. I put it to you that fluctuations in the price of cereals involve fluctuations in the sales of many urban products. When, for instance, the price of bread goes up, working people do not buy less bread, but spend more on their bread and postpone purchases of carpets, furniture, clothes, and so forth.

Chairman: I do not see how Sir William could answer that question. It is a speculative question on which his opinion, I suggest, would not be of great value. The action of the Ministry of Food and the policy of the Ministry of Food is what Sir William is here to speak on, and I think beyond that he cannot go to express an opinion which is not much use to us.

Mr. Lennard: With deference, sir, I am trying to develop a point in regard to the cost to the community of guaranteed prices, and if you will allow me I wish to ask a question.

Chairman: Certainly; if you ask a question on the guarantee for particular items I think that is quite in order.

Mr. Lennard: The point bears on a problem on which I submit Sir William is the greatest authority in the world.

2450. If fluctuations in the price of cereals cause fluctuations in the sale of many urban products, that would tend to produce unemployment or short time amongst the people who make these urban products?—Generally, yes; but may I say at once that I do not follow your argument, and I hope I have not assented to it, that a guarantee of prices will increase the fluctuation of prices which the public pay. You may get a considerable fluctuation in the amount of the State's subsidy, but the result might be actually to

steady the price. It is very difficult to follow these economic arguments as rapidly as the questions are put, but that is what occurs to me.

2451. I am suggesting that the effect of the State's subsidy would be to make you grow a larger proportion of your total supply under given climatic conditions, and that these climatic conditions would cause greater changes in the total bulk of the world's harvest because they would have influence over a larger proportion of them, and therefore the range of world prices would vary more from one year to another?—I do not follow that, because the process of putting in the guaranteed price puts in a governor upon the fluctuation. You take your fluctuation off in the amount of your subsidy and not in the price.

2452. You mean guaranteed minimum prices, such as those of the Corn Production Act?—Yes. I think even on a guaranteed minimum you might get large fluctuations in the subsidy rather than in the price. I cannot express a considered opinion; I am merely guarding myself from assenting.

2453. Yes, but I think it works out as I suggest. If it did cause these fluctuations it would mean, would it not, that guaranteed cereal prices being fixed above the normal world prices, would not only put a burden on the urban population, among others, in the way of taxation, but also cause loss to working people in towns by way of loss of employment or short time?—I think on the whole the fluctuation of prices would be one of the causes of the fluctuation of employment.

2454. When you speak, as you have in answer to several members of the Commission, of your Department fixing prices, you mean maximum prices, I suppose?—Not altogether. I must answer just a little at length. Theoretically they are maximum prices, that is to say, in most cases. But, if you take meat, when we fix a price that is not a maximum price, that is a price that the farmer will get in the market by grading, that is really a guaranteed price for the cattle. In the case of wheat, in effect, although it has been a maximum price under the order, it has been guaranteed by an instruction to the flour mills which were under our control, to pay the maximum price. That question arose, and ultimately it was settled in that way. In the case of milk, there is no direct guarantee; and I have no doubt some farmers have got less than the maximum, but not many this summer, because there is an indirect guarantee by our being prepared to take cheese at a fixed price. We control the home-grown cheese, and we pay a fixed price for all the home-grown which comes into our cheese pool; so that if the farmer finds he is not getting his price as milk, he can get his equivalent price as cheese. If you take potatoes, that has been an absoultely guaranteed price this last year.

2455. As well as a maximum?—As well as a maximum—a fixed price. I think, broadly speaking, our agricultural prices, in one way or another, have become fixed prices and not maximum prices.

2456. You mean not only maximum prices?—Not only maximum prices. I did not say minimum; I said become definitely fixed prices.

2457. They are maximum prices, but many of them are also minimum prices?—In effect most of them are. The only real exception I can think of is in the case of fruit. In 1917 we had a maximum price for plums but the market broke, and the actual price was much below. It does not apply to things like fruit.

2458. But practically all these prices are a maximum price, above which the producer is not allowed to reap the benefits of any movement of prices?—Yes, they are all maximum prices.

2459. A guaranteed price such as that under the Corn Production Act, I suppose might give the farmer a satisfactory measure of security without being nearly so high as maximum prices such as you have been speaking of. Under a guaranteed minimum price, a farmer would be secured against the effects of a large fall in prices, but would be able to reap the advantage of high prices when prices were high? That is so.

2460. So that it might give a satisfactory measure of security without being so high as a guaranteed maximum price?—Yes.

2461. *Mr. Prosser Jones*: Do you think that the prices fixed by your Department are such as to induce the producer to increase production?—Yes.

2462. Did you say that the climatic conditions in this country are equally as good as in other countries?—I said I had no reason for thinking that they were on the whole more variable than those of other countries. I confess I have not studied that subject.

2463. *Mr. Thomas Henderson*: In paragraph 4 of your Evidence-in-Chief you say the price of agricultural produce has been fixed in the light of such statistical data as were available. Could you let us have those?—I can let you have a selection. I mean, there are all sorts and kinds.

2464. I mean such as would be useful to us?—I will collect whatever I think will be useful to you without overburdening you.

2465. In paragraph 9, Section (*d*), you say: Disagreement on principles of costing, *e.g.*, whether home grown feeding stuffs (hay, barley, oats, roots) should be taken at market or at production prices." Could you express any opinion for the guidance of this Commission upon which basis it should be taken?—I believe ultimately you have to compromise between the two for this reason. I think you cannot take the market price of, we will say hay, in estimating the cost of production of milk, because the market price of hay is the price assuming that most do not sell their hay, and therefore it is a relatively high scarcity price. If everybody proceeded to sell his hay, that price would come down. Now, you do not want to fix your price of milk so that everybody that has milk gets not only the ordinary profit on his milk, but the excessive profit of a scarcity price for his hay. That is my criticism of the market price. If, however, you take a purely "cost of production" price, which in itself I think is the fairest looking thing, you get the risk that if the market price is materially above the cost of production price, people will start selling their hay instead of using it for milk making, and thus you will lose your milk production. At a certain point in selling their hay they will find that they bring down the price of hay; and that is why I say ultimately I beleive you may have to compromise.

2466. You have not considered the matter yourself in any more detail than that, have you?—I think so, certainly.

2467. Could you give us a memorandum upon that particular point, because it seems to me to be of some importance.

2468. *Chairman*: It would be very useful for us for you to give a considered opinion on that point?—I hope I have said enough to show that I think it is an exceedingly thorny question; and I just want to add this, that one of the reasons which make me rather like the plan of fixing prices by simply seeing how items of production have gone up as against what they were before the war, is that you get too much the same result, whether you take cost of production prices or market prices. I think if I can evade that thorny question, I have done a very good thing.

2469. *Mr. Thomas Henderson*: On paragraph 4 again, clause (b), you say that prices were fixed on general considerations as distinguished from bargaining. Could you give us any development of that theme? What are the general considerations other than the bargaining process?—A general consideration, taking the case of cereals, is the price that is being fixed in America. I believe if you came to look at the principle upon which we fixed our wheat prices, you would find that underlying all the rubble of subsequent discussions was a comparison with the price which was fixed in America to the producer. That is a general consideration.

2470. Are there any others?—Then your estimates of the costs of production, feeding stuffs, labour, and so on.

2471. As apart from your definite statistical data?—Yes; estimates of yield, which, of course, are never definite until you have had the crop.

2472. I think you said in answer to someone else, that you were in favour of guaranteeing the price of

milk. Do you mean by that the present sort of guarantee, or extending the provisions of the Corn Production Act to milk?—No, what I had in mind there was a scheme for the permanent control of the wholesale milk trade, and a guarantee to purchase milk at the guaranteed price through the wholesale milk trade.

2473. You said that the Ministry of Food had not fixed prices so low as to discourage production at all?—I think that is broadly true. I have no doubt the Commission have the figures of production. I can submit them if wanted.

2474. Do you think there is any possibility of your having gone to the extreme, and over encouraged production in any particular item? Have you any evidence of that kind? I should think it is possible some of our prices have been too high.

2475. You do not say it is certain?—I would like to look into that.

2476. I wish you would?—I have a suspicion there are some cases.

Mr. J. M. Henderson: In that same paragraph 4 you say: "In the light of such statistical data as were available or could be gathered by special commissions." Was there any gathered by special commissions?

2477. *Chairman*: That is answered. They have had the Special Commissions, and Sir William is going to send the reports here?—I am referring to the Potato Commission, and the Travelling Milk Commission; and I will let you have those.

2478. *Mr. J. M. Henderson*: In paragraph 8 you say that in 1917 the flat scale averaging £6 was fixed by bargain between the Food Controller and the Board of Agriculture. Was not there an order that they were not allowed to sell under £6 at one time?—I am trying to get the years right.

2479. It was in 1917?—Yes, I think there was. That was a guaranteed price.

2480. Were not the farmers in the North anxious to sell at £3 10s.?—I think that is quite likely to have happened.

2481. And later on you allowed them to do it?—Yes.

2482. According to the Corn Production Act, you have wheat 60s. a quarter as the minimum price; but what is the maximum price at which you have been buying? The maximum price for wheat?

2483. What is the price at which the Food Control have been buying wheat?—75s. or 76s., I think, now.

2484. What is that guided by—why 76s.?—I have said the cereal prices have throughout been fixed by a bargain, generally by an arbitration by the War Cabinet. I believe that the foundation of the whole, as I have said, has been the price that was being paid in America.

2485. But probably, if you had not fixed that 76s., we would have been doing it at 70s.

Chairman: I do not think that is a question which Sir William should be asked to answer. He is not responsible for the 76s. and you cannot criticise the price they have paid.

2486. *Mr. J. M. Henderson*: I am criticising the points that are put before us. The witness has put forward a *précis* here, and we are surely entitled with all submission to examine on it?—I only wish to say that your criticism of that particular case must be on the War Cabinet.

2487. Very well. Then I am content that it should rest there. But I want to get the facts all the same. As to a great many of these prices for cereals and for other things which are not included in the Corn Production Act, would you say that by this action of the War Cabinet of fixing big prices, the effect has been to create a demand for a further increase on the Corn Production Act?—I do not quite know how to answer that. Your question is whether the action of the Cabinet in fixing these prices——

2488. Which are very high?—I should have thought that the action of the Cabinet in fixing those prices was rather a recognition of the fact that the Corn Production Act prices were really altogether too low, having regard to the course of world prices.

Chairman: I do not think that is a proper question, as to what is the reason for an action of the Cabinet.

Mr. J. M. Henderson: I am only asking the effect on the producer.

Mr. Walker: On a point of order, if we cannot extract the information from Sir William, can we have a representative of the War Cabinet here?

Chairman: That is another question.

Mr. J. M. Henderson: My point is this, and I want to force it. We have certain figures here, and I daresay they were fixed on bargaining, but they have no relation whatever to the actual prices being paid. We find another element coming in to the actual prices being paid, which is outside Parliament altogether, that is the effect of certain prices being far above what they might have been on an ordinary market price. We are asked to say what the economic position is, and we are faced with various prices, such as a minimum price of 60s., and a selling price of 76s. If we are ever going to say how this economic question is to be settled, we must get at the inwardness of it. If we are always to have a *deus ex machina* who will alter the prices, we do not know where we are.

Chairman: Sir William is not the man to speak as to the actions of the Cabinet.

Mr. J. M. Henderson: No; but he can tell us of them.

2489. You say, or at least it is your opinion, that you are in favour of milk being guaranteed; but, with regard to the other things, that would necessitate a fresh Bill?—Yes; on the whole I am against a guarantee for the other things, but it is not because it would necessitate a fresh Bill.

2490. Dealing with milk, have you taken any accounts from the farmers in certain districts in England, who send their milk, and are paid on the spot, to such depots as Simley near Shaftesbury, and other depots, where a certain price is paid to them, and they are relieved of all the bother of sending it to the market?—I have no direct knowledge of Simley.

2491. It is a very fine institution, and the farmers all take their milk to it in cans, and they are paid so much every day. There are a great many of these people throughout the country. Those people ought not to have the slightest difficulty in giving you the figures. You speak here of scientific costing. You have a Department of Agriculture, of which we have a representative here. What do you mean by scientific?—What Mr. Peat does in the Ministry of Food for grocers and other distributors in the food trade; that is, he examines their books, their costs of production, their average profits, and their turnover, and says how much they should be allowed for selling a pound of lard, say.

2492. I should say that is common book-keeping?—Whether it is scientific costing or common book-keeping, it is not done by farmers.

2493. I do not know whether you are aware that scientific costing has been adopted by the Ministry of Munitions, which no farmer or anybody could possibly ever attain to. With regard to feeding stuffs, I suppose the real reason why they are so expensive is because you cannot get the linseed from Russia?—I really do not know why at the moment it is so expensive, and no one knows whether it is going to remain expensive.

2494. In your investigations, have you found a very large quantity of land in England and Scotland on which it is really unprofitable to grow wheat?—I think I should like you to ask the Food Production Department that question. We do not know of that directly. It is a Food Production Department rather than a Ministry of Food question.

2495. Putting it quite shortly, in your investigations you have not seen a single revenue and expenditure account from any farmer showing what the total income from all sources of his farm was, and what his expenditure in all directions on the other side was, bringing out his profit or loss, as the case might be?—I personally have not.

2496. Do you know anybody in your Department who has?—I should be very much surprised to find there was no one in the Department who has seen an account of that sort; but I will enquire.

2497. And if you get that precious document, will you let us have a copy of it?—Yes.

2498. *Mr. Green*: With regard to wool, is not there a large element of speculation which has forced up the price of wool?—I am happy to say I know nothing about wool. We do not deal with that at all.

2499. With regard to hay, have you fixed the price of that for this year?—We have not, and I think the War Cabinet still have not. I know they are considering it this morning.

2500. There is a danger, do not you think, according to the market prices of hay at the present time, of farmers selling their hay and letting down the production of meat and milk?—There is a certain danger; but I do not think one must exaggerate that danger, because farmers like to keep their industry going.

2501. With regard to the prices of linseed and other cakes, do not you think that shipping profiteering makes a large hole in costings?—Do you mean the shipowner profiteering?

2502. Yes, the rates of freight?—I should not think it makes a very big item. Of course, it would be relatively big in these feeding stuffs, because they are bulky, and, of course, the freights have been very high.

2503. I may as well mention that some cocoa-nuts left the coast of Africa at about £6 a ton, and were sold in London at about £60. I do not think it is all shipping freights?—That might be sales and resales on passage. It might not be profiteering by the shipowner.

2504. I do not want to ask you an unfair question; but with regard to the new controlled price of wheat, did the War Cabinet have any agricultural advisers when they fixed that price?—Do you mean the guaranteed price for this new harvest?

2505. Yes, for this year?—They had the Board of Agriculture. It was done on their recommendation. The Ministry of Food had nothing at all to do with that particular proposal.

2506. And I suppose it would not be fair for me to ask you if you did not think the action was unconstitutional.

Chairman: Sir William is a civil servant, and cannot criticise his superior.

2507. *Mr. Green*: You answered to the question of transport; and I was rather surprised to hear your answer, in which you said you had no complaints from farmers about transport?—I do not think I said that. I am glad you asked me that, because we have had many complaints about transport. There is a series of complaints about potatoes.

2508. With regard to potatoes, is not it your opinion that the potato growers have been the biggest profiteers during war time amongst the farmers?—I think it is quite impossible to say who has made the biggest profits. Clearly, with our guaranteed price, and a big harvest, most potato growers must have done very well this year. On the other hand a number have lost owing to the spoiling of the crop.

2509. Would you be surprised to hear of a potato grower in Lincolnshire having made £60,000 profit last year?—Not in the least.

2510. You said just now you thought the argument was at its height, and it might be settled in a week. Were you referring to the new guaranteed prices?—I was referring to the winter milk prices.

2511. *Mr. Edwards*: I should like your opinion as to the real object of the fixing of the prices by the Ministry of Food?—It varied. In the case of cereals and meat and cattle, we started in order to keep prices down. We thought they would otherwise have risen too high and have led to profiteering by the farmers. In other cases like potatoes, we have fixed guaranteed prices in order to secure a crop, to encourage production.

2512. In the latter case merely as a war measure?—Yes, merely as a war measure.

2513. Have you any idea from your experience as to whether the agricultural industry as a whole has really been subsidised in any way by your prices, speaking generally, and not in a particular instance of a Lincolnshire potato grower or anything of that sort?—Do you mean by a subsidy, that it has received money which has come direct out of the taxes. Do you mean that?

2514. Yes?—That undoubtedly has happened in the case of cereals, where you have got the bread subsidy, the farmer getting 75s., when the price he should have got for the 9d. loaf was about 60s. or 62s. Equally, there has been a subsidy at the cost of the State in the case of potatoes. In other cases like meat, there has been no subsidy from the State because the public have paid the full cost. I do not know whether that answers your question?

2515. Yes. I should like your explanation as to how the subsidy on the loaf really works. Do you mean to say that the price paid to the farmer is really above what he would get in an open market?—No, I do not say that.

2516. Then how does it work that you say we are subsidised?—To sell the loaf at 9d., a miller ought to be paying a farmer about 60s. or 62s., if he has to turn that into flour, and produce a loaf at 9d. He is actually paying him 75s. The difference between those comes out of the Exchequer.

2517. Yes; but it is not the farmer who is being subsidised, but the consumer?—Certainly. Put it either way. I only want to answer your question.

Chairman: I did not understand Sir William to say that the farmer was subsidised in any shape whatever.

Mr. Edwards: Yes, he did.

(*At the request of the Chairman, the Shorthand Writer read the last preceding few questions and answers.*)

Witness: I do not want to quarrel about words at all. I do not want to suggest in the case of cereals that the farmer has got money from the State which he would not have got in open market, and I am glad to have this opportunity of distinguishing; because in the case of potatoes of course he has got money from the State which unquestionably he would not have got in the open market. I do not know about this year, but certainly in 1917 he did.

2518. *Mr. Edwards*: But you are prepared to admit that was purely a war measure in order to influence the crop in that particular year?—I not only admit it; but I strongly urge that it should be only a war measure.

2519. Therefore, you are prepared to admit that the fixing of prices in your Department was merely to prevent the rising of prices, and not in any way to guarantee the farmer a price?—Both motives. The first one you name was the original motive for both cases.

2520. You spoke about cheese. I am a milk seller myself, and as a matter of fact I am selling below your price; but may I remind you that large parts of the country do not make cheese at all, so that your fixing the price of cheese only affects a comparatively small area of the country?—Yes. Of course, the farmer may sell his milk to a factory to turn into cheese; and as the factory is going to get our guaranteed price for cheese it can afford to keep up the milk price. I do not think our guarantee is limited to the case where the farmer is making his own cheese.

2521. But there are plenty of areas in the country where there are no cheese factories near. In my part of the country such a thing is unknown so far. Then a good many questions have been asked you about the costs of production of such an article as milk, and a good many of our friends on the Commission appear to think it is a very easy matter to do it. You have already pointed out some of the difficulties. I presume you recognise that a large number of the farmers, like myself, are mixed farmers?—Yes.

2522. And consequently it is a very difficult matter indeed, if not an impossibility, I should say, to find out the real cost of one particular article which I produce on my farm?—Just as impossible as to find out the cost to a grocer of selling any one article. You have to take the whole of the trade.

2523. *Mr. Dallas*: Your Department of the Ministry of Food represents not one particular interest in the community, but the community as a whole?—Yes.

2524. The idea so far as prices are concerned is to safeguard the interests of the community?—Yes.

2525. You know all about the guaranteed prices that we are to enquire into, and I should like your views to enable us to carry out our duty which is to do justice to the industry while at the same time safeguarding the community. What I fear is that we might be subsidising the industry, or that there is a danger of it, at the expense of the community. Is there any method you can suggest which will not only give fair play to the industry but at the same time protect the interests of the consumer?—You cannot subsidise it except at the cost of the taxpayer, and so the main body of the consumers, but a subsidy may be in the interests of the consumer as well as the producer. Your question is rather general; perhaps you could develop it. I want to be helpful if I can.

2526. In times of peace things are quite different from what they are in times of war such as we have gone through, and if the world price say for wheat is 60s., and the guaranteed price was 70s., it would mean that the community would have to pay 10s. per quarter extra?—Yes.

2527. What we are anxious or some of us are anxious about is that the community shall not be bled in order to subsidise or bolster up a particular interest. Can you suggest any other method—if there is such a thing as a method—apart from this guaranteeing of prices?—For encouraging agriculture?

2528. Yes, and at the same time safeguarding the interests of the community?—I do not see any way of encouraging agriculture apart from guaranteeing prices, except of course by giving assistance in the development of agriculture, and helping by the spread of knowledge of scientific methods, and so on. I do not see what other method is possible if you decide that it is necessary to develop agriculture here. Of course, whether it is necessary or not is a further question.

2529. You are not an agricultural expert?—No.

2530. Therefore you would not be in a position to say whether agriculture could be developed without any subsidy?—No. The only business of the Ministry is with food, and it does not matter whether it comes from abroad or here. That is the reason why the one food in which the Ministry is mostly interested is milk, because that must come from home. Other things which must come from abroad, from the departmental point of view are not so important to us.

2531. Your department has drafted a scheme for dealing with the control and the supply of milk?—Yes.

2532. Could we have copies of that scheme?—I think there is no reason why you should not; it has never been actually published but it has been shown to a number of people. I see no reason why you should not have it. I must, of course, ask Mr. Roberts first, but I think we can send you that.

2533. Some of us have it, but I want the members of the Commission to have a copy of it?—There is no question at all about our being willing to let the Commission have it; the only question is whether it can be published. Personally I see no objection, but that is the only question. As to the members of the Commission having it, there is not the slightest question.

Dr. Douglas: I should like to raise the question whether we should have information of this kind which is confidential.

Chairman: Confidential to the Commission and so far as the Government are concerned.

Dr. Douglas: Is it to be made public by us?

2534. *Chairman*: That is a question we shall have to decide. (*To the Witness*): Meanwhile, will you allow us to have it?—Yes, and I hope to let you have it without any reservation.

2535. *Mr. Batchelor*: Dealing with milk, I think you have told us that you have seen the Reading College results in regard to the yield of milk pre-war?—Yes.

2536. And that those showed better results than other general dairies?—They show much better results than are being advanced now, and I am told that for that and for other reasons I must not regard them as typical.

2537. Have you seen the results this present year?—I have seen a number of figures relating to this present year.

2538. From Reading?—No.

2539. You do not know whether Reading has gone down in its yield as the result of coming through the war with fewer feeding stuffs?—No; I should think it probably had, but I do not know.

2540. You told us that your Department now has a proposal to compare present with pre-war prices?—Yes.

2541. To enable you to do that I presume you will agree with me you require to have the cost of production prices pre-war?—If you want to compare cost of production prices pre-war with cost of production prices now, you must have them.

2542. That is what you intend to do?—I am prepared to proceed either on cost of production prices or on market prices.

2543. Have you had cost of production prices pre-war?—About as much as I have them now.

2544. Is that sufficiently satisfactory?—It is not very satisfactory, no.

2545. So that you do not have the genuine data as regards the cost of production prices pre-war to enable you to compare them with the cost of production prices now?—They are not as good as I want them, but I think in comparing the two sets of data you eliminate a number of errors which are common to both.

2546. From what source do you get your cost of production prices now?—Do you mean for that particular comparison?

2547. For any comparison—in regard to milk, for instance?—There is a certain amount of information about the cost of the production of milk before the war available.

2548. Where do you get your cost of production prices now of the items which go to produce the final result as regards milk?—Are you thinking of things like roots?

2549. Yes?—I get them from the expert advisers of the Ministry of Food. I try to get them checked by consultations with the Committee of which you are a member, and the Agricultural Advisory Council.

2550. In the meantime you rely principally upon the agricultural advisers of the Ministry of Food for these figures?—I rely upon them subject to the criticism of an outside body.

2551. You have told us that there is a considerable element of bargaining required before you arrive at the prices which are ultimately fixed as the maximum prices. Before the bargaining begins, is it not the case that you get from producers as many estimated statements of their costs as you can, and have those examined and checked by your practical experts at the Ministry?—Are you thinking of milk?

2552. Anything? The procedure varies so much from one food to another that I can give no general answer.

2553. In this case we will take it in regard to milk?—In regard to milk I think you know we have had a Travelling Commission which has collected a lot of information. I am very doubtful as to the extent to which that information can be said to have been checked. I do not think in fact that it has been very much checked except by a certain amount of examination of witnesses.

2554. Has it been submitted to your practical experts and gone into by them?—Yes.

2555. After that, and not till then, does the bargaining begin—that is all preliminary to the bargaining?—Yes.

2556. In other words, you have a foundation, as near as you can get to it, of the estimated cost of production, checked by your own figures before you begin to bargain?—Certainly, we examine into the matter before we discuss it with the interests concerned.

2557. It is not the intention, I take it, of the Ministry of Food in the fixing of any minimum price to give any undue profit?—That is so.

2558. You have also said that you ultimately have to compromise between the market price and the cost of production. Is that always done?—No. That particular question has arisen most acutely in the case of milk, which is rather a fresh case.

2559. There you think that that would be reasonable?—I think that a compromise would be reasonable.

2560. Is that amongst other things based on the fact that at the present moment owing to the scarcity of hay for other requirements there is a very much larger market for hay than in ordinary times, and therefore the producer of hay can easily find his market rather than give it to cows to produce milk?—I was dealing quite generally with the contrast between market prices, not chiefly at this present time.

2561. Is it not the case that on the whole there is still a very considerable scarcity of supplies and a necessity for the continuation of control and maximum prices?—In some articles there is a scarcity.

2562. Is there any reason for fixing a maximum price unless there is a scarcity?—Yes. One may wish to encourage production here, as in the case of potatoes or of milk. You may want to increase production. I agree that the main motive of the Ministry of Food in fixing prices is the fear of an increase through scarcity.

2563. Coming to the question of feeding stuffs, you will be able to agree with me, I think, that the price of linseed cake during last winter was £19 per ton at the farmer's station?—I am not exactly aware of it, but I have no doubt that is correct.

2564. You are also aware that the price, by arrangement with the manufacturer, is now to be £25 per ton ex mill?—Yes.

2565. Have you had produced to you detailed figures showing why that price required to go up from £19 at the farmer's station to £25 ex mill?—Those figures have not been produced to me personally.

2566. To your Department?—Certainly

2567. Can this Commission have them?—Certainly, the Commission can have the information as to the grounds on which we fixed that price. I have not seen it myself, but I will give you the information on which we settled that.

2568. Can you tell me whether it was on a cost of production basis that that was done, or was it on a bargaining basis?—I really do not know; I should think it was both.

2569. Would I be right in saying that the principal item which caused it to be so high was the fact that the manufacturers asked for it?—It clearly would not have been as high if they had not asked for it.

2570. And that they are sufficiently strong not only to ask for a thing but to get it?—I am not going to say that is all that they asked for; I do not know.

2571. However, you will produce those figures?—I will give you a statement of the procedure by which we came to agree to that price with the manufacturers.

2572. Along with that you will give us the detailed figures of the increases if they were produced to you?—If they were.

2573. My reason for asking, of course, is that the item of cake enters so much into the prices of milk and meat for which farmers are held responsible?—Quite.

2574. One other question on the price of cake. I think probably you will be able to agree that in regard to the price of beef for the coming winter it has been proposed by the farmers' representatives that if cake comes down they will be prepared to accept less than they otherwise would for beef, thereby showing that cake enters considerably into the cost?—Yes.

2575. *Mr. Overman*: Everyone knows that the control of meat now is to continue to the end of June next?—Yes.

2576. Farmers are not subsidised as regards beef during the next six months?—No, I think not.

2577. I really want a plainer answer than the answer you gave to Mr. Edwards on this vexed question of control. You realise that before the fixing of prices in the past the farmer would certainly have got much larger prices—if he had had the play of the market?—Yes, I think that on the whole our agricultural prices—I except potatoes—have kept prices below the market value.

2578. The prices that have been set have been below the market value, and therefore farmers have not been subsidised in respect of cereals?—I hope I have made it perfectly plain that in order to keep the price of bread at its present low level a certain amount of money is paid out by the State which may be said to go into the pockets of the farmer, but I do not want to suggest for a moment that the farmer would not have got as much money apart from that subsidy—if the State had simply stayed right out. I do not want to quarrel about words; I want to give you perfectly clearly what the facts are.

2579. The answer to the question is yes, as a matter of fact?—That they would have had higher prices?

2580. Yes?—I think probably they would.

2581. Do you think with your large experience you could guide us at all as to the future? Does your experience of the past years lead you to believe that if in the future control and guaranteed prices were taken off, and there was a free market for everything and free labour—in plain language scrapping the Corn Production Act—it would be better for all concerned?—That is a very comprehensive question.

2582. It is a plain question that we want advice upon?—I should like to think over the answer to that question. I had not regarded that I may say as a matter of practical politics within the lifetime of the Department with which I am concerned. The Ministry of Food is going on for a year, and I am afraid I am only looking forward for a year. Within that time I had not regarded the possibility of scrapping these controls. I will consider it and see if I can give you a more satisfactory answer.

2583. If you will consider it and can give us advice on that subject I think it will be very useful to us?—I do not think it will be of much use to you.

2584. Your first object in deciding whether control should continue or not is to study the interests of the community rather than those of the producer?—I was not distinguishing between them there. Having regard to the fact that there are Departments whose special interest is to study the producer, the Food Controller has to make certain that he studies what I call first the consumer, but I think I may say the producer comes a very very good second in his mind. I mean, it is by no means a question of simply looking at the interests of the consumer.

2585. *Mr. Anker Simmons*: The policy of the Food Ministry has been a war time policy, has it not?—Yes.

2586. The object being to do our best to see that so far as was possible there was an adequate supply, and also at the same time to provide an equal distribution?—Yes.

2587. We were also to some extent hampered with regard to the fixing of prices by the fact that we had to adopt the principle of a flat rate?—Yes.

2588. That was for the purposes of administration?—Yes.

2589. Because otherwise administration would have been practically impossible if we had had differential rates all over the country?—I will not say impossible.

2590. Very expensive?—It is an added complication and I daresay in some respects it might prove impossible.

2591. So that it must be borne in mind that on a flat rate policy we could not avoid giving perhaps a large profit to a few, and hardly a working profit to others. It was only the average man who got what you tried to provide—a fair working profit?—I think that is so.

2592. It is rather suggested that there was a certain amount of bargaining without perhaps the strictest investigation. Is it not the fact that so far as was possible, right through from the very formation of the Ministry of Food, which you yourself have taken a prominent part in from the start, every care was taken to ascertain as far as we possibly could what

would and what would not be a fair price?—Certainly. I think we did everything. I will not say we did but we tried to do everything that was possible having regard to the fact that we had to fix a certain price by a certain time.

2593. Going back as far as May, 1917, a Committee was appointed with Lord Somerleyton as Chairman to go very closely into the question of milk prices?—Yes.

2594. It was on the advice of that Committee, which sat for a very considerable time, that the first milk prices were fixed?—Yes.

2595. Since the formation of the Agricultural Advisory Council and the Consumers' Council, both of those bodies have had questions of prices submitted to sub-committees of each of them who have met and argued the points out between them?—Yes.

2596. Taking it generally, it has been fairly easy to arrive at a more or less unanimous decision upon the points that have been submitted to those sub-committees?—I should not have thought that was quite true; it certainly does not apply to all articles.

2597. It applies to meat?—It applies to meat for some reason; I do not know why.

2598. The only serious difference of opinion was with regard to the last winter supply of milk, where the producer demanded 2s. 6d., I think it was, and the Consumers' Council 2s., and they decided on 2s. 3d.?—Yes.

2599. That was after very strict investigation. The point was carefully thought out by the officials before the Food Controller came to a final decision?—Yes.

2600. With regard to cereals, before the Cabinet came to a decision they took evidence, did they not, from Mr. Strutt as representing the Board of Agriculture and myself as representing the Ministry of Food?—That is more within your recollection than mine. I have no doubt that is true.

2601. I only wanted to get the fact out. It was so?—Yes.

2602. With the evidence they had from us and from others they ultimately decided what the price of cereals should be?—Yes.

2603. That was based, so far as we could obtain it, upon the estimated cost of production?—Yes.

2604. It followed, did it not, that maximum prices, so long as supply was below demand, resulted in their becoming minimum prices too?—Yes.

2605. That must always be so where there is even a comparatively short supply—I mean to say, a comparatively small difference between the real requirements and the actual supply?—Yes.

2606. The first control of cereals was the result of a very rapidly rising market in wheat?—I have not got that particular thing in mind, but I have no doubt that is so.

2607. May I remind you that in May, 1917, wheat rose as high as 90s.?—Yes, I remember now.

2608. It was because of that that the then Food Controller, Lord Devonport, issued his first maximum prices with regard to cereals?—Yes.

2609. That was on the advice of a very strongly formed Committee who dealt with the whole subject in the form of a Report?—Yes, I remember.

2610. Mr. J. M. Henderson suggested to you that prices had possibly been above what they might have been if there had been no control. Is it your opinion—except as regards potatoes?—No, except as regards potatoes, and I think in certain months possibly milk when there is a surplus. I do not think, except in those and one or two minor instances, that that is the case.

2611. Following up what Mr. J. M. Henderson alluded to as to the supply of milk to depots, the price would be the same to any depot?—Yes, the maximum price would.

2612. Practically part of our policy has been to arrange for the setting up of depots in order to provide for better distribution?—Yes.

2613. That has been part of our policy?—Yes.

2614. It was not the policy of the Food Control of the Ministry to de-control feeding stuffs? Are you speaking of the early part of this year?

2615. Yes?—No.

2616. That was the decision of the Cabinet? All oil seeds and fats—oil seeds certainly was a direct Cabinet decision.

2617. I am referring to all the feeding cakes—linseed, cotton, and other cakes. The policy of the Food Ministry was to continue control?—I do not know to what extent you can say they had a policy different from that of the Government. I think I am right in saying we should have rather proposed to continue the import of feeding stuffs—that is to say of cakes.

2618. Surely we intimated our opinion to that effect to the Cabinet?—Yes.

2619. But that was opposed by the Board of Agriculture?—I believe so.

2620. The Cabinet decided to de-control feeding cakes?—Your recollection of this is better than mine. I think that was the course of events.

2621. I wanted to get it out because I think that the Commission ought to know what the position was. It was because of the decision to de-control that prices of feeding stuffs at once began to rise?—Yes.

2622. *Dr. Douglas*: You have very naturally and truly taken credit to your department for the fact that its control of prices has not diminished production. Of course, you recognise that there were considerable forces making for production at the same time—the Food Production Campaign, for example?—I hope I did not mean to imply that we had all the credit. I merely wanted to claim the negative credit.

2623. Your prices were such as to enable production to go on to the full extent?—Yes, and to some extent encouraged it.

2624. I quite agree. Of course, I do not make this a matter of criticism at all, but merely a matter of fact. Apart from price controls there were a great many interferences with the industry that became necessary as part of your policy?—Yes.

2625. Such as prohibiting the slaughter of certain animals, and ordering the slaughter of animals that their owners would have thought it profitable to keep, and so on. There were many matters of that sort which did reflect on the profits of agriculturists. I do not put it as a matter of complaint, but that is the fact?—I would not deny it.

2626. Obviously you have not been able to make any sort of reckoning of the total cost of that to those engaged in the industry. It would be impossible to measure the total cost of that in figures?—I do not think it is great, if I may say so.

2627. That must be a matter of pure conjecture as long as no account of it has been taken?—Yes.

2628. It has certainly not been a matter pressing equally upon all; it has pressed more on some than on others?—All controls press unequally.

2629. That is a necessary part of control?—Yes.

2630. The object of the potato guarantee was to stimulate production, was it not?—Yes.

2631. As a matter of essential food policy?—Certainly.

2632. And to bring about production on land on which, apart from that guarantee, it would not have been thought profitable or expedient to grow potatoes?—Yes.

2633. I suppose your endeavour was to find so far as you could a price that would give a fair return, if not a profit, even in the more unfavourable conditions?—Certainly.

2634. It was therefore an inevitable accompaniment of that policy that profits should have been exceedingly large in the more favourable positions?—Yes.

2635. These profits have excited very naturally a certain amount of unfavourable comment, but you would regard an incident of that sort as really inseparable from control which was to give an equal price and to give a return or avoid a loss in the unfavourable conditions?—In the case of potatoes I think the high profits made in some cases and the loss to the Treasury is a very small insurance premium for the risk that we covered assuming the war had gone on.

2636. And really an inevitable loss?—Quite.

2637. Take the case of milk. You have put it to us that you experienced great variation in the estimates of cost; you laid stress, I think, on the word estimates. Have you any reason to doubt that there

are very large differences in the actual cost of production of milk under different circumstances?—No, I have no doubt they vary greatly.

2638. The costs do vary very much?—Yes.

2639. You do not attribute the variation in the estimates either to an intentional or an unintentional error on the part of the calculator?—I do not say I should pin my faith to all the estimates. I do not suppose the facts vary as much as the estimates do.

2640. But you think they do vary very widely?—I am sure they do.

2641. On the whole where you have had really accurate accounts these have been kept by men who have been carefully counting the costs of their production?—Yes.

2642. These are the men who would naturally keep the closest check upon their costs?—Yes.

2643. They would be the most economical producers on the whole?—Yes.

2644. Their accounts would really be representing chiefly the cost of production in the most skilful and economical hands?—Generally. I must guard that by saying that of course some people may adopt over elaborate methods which do not pay their way—which are not worth while.

2645. But speaking generally that is so?—Yes, I should expect to find them the more efficient.

2646. You have advocated to-day the policy of the permanent control of the milk trade. It was stated in the newspapers some time ago that that policy had been abandoned by the Government—that a decision against it had been registered?—Certainly.

2647. The Food Controller is a member of the Government?—Yes.

2648. He therefore participates in that decision?—Certainly.

2649. It is only your personal view that you are putting to us to-day that there should be permanent control of the milk trade. I just want to get the fact?—Yes. I will simply state the facts. The Food Controller, as he himself stated, did put up a proposal for permanent milk control, and recommended it to the Government. The Government did not accept it. I do not know whether that has altered the Food Controller's view or not now; I have not asked him. I suggest that you should ask him yourself; that is the position.

2650. So that it is a little difficult perhaps to distinguish the exact shades of approval and disapproval in these matters. The policy was the policy of the Food Ministry?—Yes.

2651. But it was not accepted by the Government?—No.

2652. But you still put it forward for our consideration?—I did not treat you as a War Cabinet to which I was putting a definite proposal. I thought that I was asked whether in my view there was any case in which guarantees were desirable, and I said that I thought they were desirable in the case of milk. I should say that I am not sure the case is proved for them in anything else; I do not know about the other things.

2653. It is a very important and far-reaching proposal of course. You said in evidence just now that there are great variations of cost in the production of milk?—Yes.

2654. If the object of the Government were to increase or even to maintain at its present level the production of milk, it would necessarily have to give such a price as would not throw out of business any large number of more expensive producers?—A price that would not throw out more people than it would attract in; that is how I should put it.

2655. If you take the existing producers your price would need to be on such a scale as would not throw out any considerable proportion of them unless you had something more than a hope of getting in others to take their places. I mean to say, people do not send a notice that they are going to resign their position as milk producers; they simply sell off their cows?—They usually sell them to a more efficient producer.

2656. You would have to fix your price with regard to the maintenance of the existing supply?—Certainly.

2657. And you would have to recognise that part of the supply which is produced at a very high cost?—It is purely a question of degree how far down you would go.

2658. Quite so, but you would have to go down a good long way as you did in the case of potatoes?—I think I should recognise that a number of these people who are producing at a high cost now since they are selling in a competitive market are not finding it as expensive as they say, so they are content to go on for some reason or another without a profit.

2659. Does it not occur to you that people regard rather differently a price fixed by the Government than they do a price for which they have to look according to the accidents of the market?—The money is the same in their pockets.

2660. Yes, but they look at the things in rather a different way, do they not? I am sure you recognise that you would have to consider the most expensive part of the production in fixing your prices—let us assume it was a third part of the production. Supposing you take some milk which is produced very cheaply, and some which is produced moderately cheaply, and some which is produced at great cost. You would not say you could afford to do without all of that which is produced at a relatively high cost?—No, not all of it, if it was a third, certainly.

2661. If the price were fixed to cover uneconomical producers, and the economical producers raised their average produce from 500, we will say, to 800 or 900 gallons, they would naturally make large profits?—Yes, they would.

2662. Those profits would be likely to attract considerable attention and criticism as in the case of Lincolnshire potatoes?—I should think they might.

2663. All these prices would require to be constantly discussed in the future as they have been in the past with some such body as the Consumers' Council or the House of Commons?—Or the House of Commons.

2664. Therefore, you would perpetually have all the more economical producers of milk under the lash of public criticism?—I think that the public could be educated.

2665. It would require some education to avoid criticism. It does not correspond with your present experience, does it?—I think that the public need some education in the necessity of recognising that the efficient people must be allowed exceptional profits if you wish to stimulate efficiency.

2666. For a period of years the efficient producer would be a sort of whipping-boy?—I do not think he would suffer.

2667. Do you think that sort of thing is good for an industry, that an efficient producer should be subject to an insinuation of getting a subsidy from the State?—I do not want to deny these criticisms of State control. It is a question whether it is better or worse than the alternative.

2668. Could you have a State guarantee of milk prices without State purchase of all the milk?—I do not think you could have it without the State purchase, we will say, at least of the wholesale milk.

2669. Are not the chief evils of the milk trade in the retail distribution?—What evils are you referring to?

2670. The loss of quality of the milk on the way to the consumer and the waste of labour in its distribution. Are not those evils far more widespread in the retail than in the wholesale trade?—I do not know that they are more widespread in the retail trade which operates directly from the farmer to the consumer.

2671. I am talking of the retail trade as between the wholesale trade and the consumer?—If you take the case of London, I think you would have to take the retail trade necessarily.

2672. The Government would have to conduct the business?—I think in London, certainly.

2673. On its retail side as well as its wholesale side? Yes, practically.

2674. That would be a very large undertaking, would it not, by way of Government trading?—It would have been thought so before the war.

2675. Perhaps it might be thought so again?—It may be thought so later.

2676. That is the method of administration that you suggest that the Government should purchase the whole?—Government purchase of the wholesale milk trade, not excluding the alternative of the producers themselves through their societies, taking over the wholesale trade. That is another element in it.

2677. Have you considered the Government purchasing the cheese industry also, or did you propose to separate the two?—I cannot say that we have come to any definite conclusion as regards that. There is more than one alternative, each of which I think is possible.

2678. It is a very important question, is it not?—Yes. I merely say that obviously there are solutions possible.

2679. With regard to the prices that were discussed and fixed for last winter's milk, you have told us what the proposals were. I do not know whether you want to refer to the responsible advice given to the Food Controller by the Agricultural Advisory Committee. I do not think that it is open to me to make a statement, but if you want to make it, do so. I do not want it to be stated that that body recommended eventually the price of 2s. 6d.?—I cannot remember. I am afraid my memory is not as good on that as yours.

2680. It is not for me to make a statement, but I put this point to you: even suppose the price of 2s. 6d. had been the recommended price by the producer and the consumers' price 2s., you afterwards came to have some knowledge of what the cost of production had been during that period, did you not?—Yes.

2681. Which was nearer right of those two figures of 2s. 6d. and 2s.?—If you ask me now, I am inclined to think that what we fixed was about right.

2682. Was not the Report of the Travelling Commission over that?—Yes, the Travelling Commission's Report is over that, certainly.

2683. So that the producers with the information at their disposal were more nearly right than their critics?—I am afraid I am not accepting wholly the Report of the Travelling Commission, who themselves took 2d. off the price given to them.

2684. I hold no brief for the Travelling Commission, but I think it is pretty generally recognised that the price milk had to be produced at last winter was a price entailing a very general loss?—That is news to me.

2685. I mean if you leave out of account the prices obtained in the summer?—Really that is entirely news to me, and it is not my view.

2686. I just want to put one or two practical questions about the question to which you have referred a good deal regarding the price to be allowed for so-called farm produced food. Is it in practice possible to differentiate between the price paid to a man according as he feeds his cows on material grown by himself or material which he has bought?—It is not directly possible.

2687. Therefore you have to disregard the question whether a man has bought his hay, or whether he has grown it himself, in fixing your price?—In the individual case, yes; but you can, of course, differentiate by districts. You could differentiate between the price paid in a district in which the farmers mainly have to rely upon bought food and those districts in which they mainly have to rely upon their own farm produced food.

2688. In the same district you have people following opposite practices?—Yes, but there may be districts following predominant customs.

2689. It has not hitherto been your practice to deal with districts on that basis?—We have differentiated milk prices between different districts.

2690. Yes, but you have not taken as a basis of that kind the character of the industry in doing it?—Yes. I think that the higher price allowed to industrial districts is based very largely upon the way in which milk has to be produced.

2691. These are special exceptions which have been made?—It applies to most of Yorkshire.

2692. That was not the reason in the case of Yorkshire. The reason given was quite different. It was that the atmospheric conditions were unfavourable, and so on?—That leads to their having to feed in a different way.

2693. I have not heard it so said in evidence. It was given on the ground that it was an unfavourable district, but apart from that you recognise that, on the whole, the cases must be taken together?—Yes, decidedly.

2694. In practice, if it is the policy of the Ministry to increase and encourage the supply of milk, that policy would lead to rather encouraging the consumption of hay or any other food for that purpose, would it not?—Yes.

2695. You would recognise, I suppose, that a farmer in deciding what he should do with his hay will discuss with himself the question what will pay him best?—Yes, that among other questions.

2696. Yes, among other questions; but that would be one of his chief considerations if he has to live by his business. Therefore, so far as that goes, you are handicapping milk production if you make other uses of hay more profitable?—Yes.

2697. Do you discriminate against home produced food in the case of beef production?—How do you mean discriminate against it?

2698. Do you reckon that a man is to do without profit on the consumption of his home-grown foods in beef production?—I do not know that that question has ever been raised in the fixing of the meat prices.

2699. If it has not been raised, it will not be long before it is. Supposing you have a man devoting his whole concern to the production of hay, and another devoting only one half of his time and capital to hay production, and the other half to his dairy. If all hay is saleable—which is the hypothesis—then the man who sells all his hay at a full price is allowed to take a profit on his whole concern, whereas the man who has to use half of it for dairying and has to reckon it in the cost of production without a profit is to have no profit so far as that half is concerned?—Yes; but all hay is not saleable at a full price.

2700. That is a question which can only be determined by testing the facts?—Quite so.

2701. *Mr. Ashby*: When the Department present their estimates or records of costs, is there not a tendency to present such estimates or records showing the high costs rather than a fair sample?—Quite inevitably—I do not mean in deliberate unfairness at all.

2702. No, but there is an inevitable tendency that way?—Yes, absolutely inevitable.

2703. As to another question which was asked by Dr. Douglas, is there not a far greater danger that the uneconomical producer will be retained under any system of controlled prices rather than that the economical producer will become a whipping-boy and be attacked for making abnormal profits?—There are both dangers, I think, but I certainly think that the tendency of control is to maintain the uneconomical producer through the difficulty of fixing prices low enough.

2704. Do you think there is a greater tendency to retain the uneconomical producer under control than under ordinary market conditions?—There certainly has been during the war.

2705. Under control there is no effective way of getting rid of the uneconomical producer?—It depends upon whether public opinion will allow you to fix prices low enough to squeeze him out. That is an effective way of getting rid of him, but it is very difficult to get public opinion to that point.

2706. When a Department has the duty of fixing a controlled price, or has the duty of administering a guaranteed price, would you regard it as an advantage that the Department should also have power to require a given number of farmers to keep accounts according to a method laid down by the Department, and to require them to produce those accounts on demand?

The Chairman: I think Sir William answered that by saying that the Costings Department was created for that purpose.

2707. *Mr. Ashby*: The Costings Department has no power to require that those accounts be either kept or produced. It can only work on the goodwill of the farmers, which for certain purposes may be sufficient,

but which in the case of the extension of guaranteed prices may not be a sufficient protection to the public. Would you regard it as an advantage to the Department which has to administer guaranteed or controlled prices for it to be provided with the power to demand that accounts be kept according to methods laid down by the Department, and to produce those accounts on the demand of the Department?—I doubt whether it would be worth while giving it a statutory power, enforceable by fine or imprisonment, to make a farmer keep accounts, because a farmer keeping them under that duress would not keep them very well. But I do agree that one of the principles of control should be the establishment of a really strong Costings Department, and that you might endeavour in some way to make the benefit of receiving your guaranteed price dependent upon keeping accounts—but you would have to proceed very gradually in that direction.

2708. *Mr. Langford*: You said that the money that was paid out by the Government to enable the loaf to be sold at 9d. went into the farmer's pocket. Did you mean the English farmer?—There is a sense in which it went into the farmer's pocket both at home and abroad. Let me repeat what I said. I believe he would have got that money, and possibly more money, anyhow.

2709. May I put it in this way: When the farmer's crops were controlled—take, for instance, wheat—we have it in evidence from you that it was controlled because his wheat was being sold at 90s. per quarter?—Yes.

2710. I think the first control brought it down in round figures to 70s. or less than 70s.?—I think it was 70s., but I do not remember exactly.

2711. In any case it brought it down quite a considerable amount?—Yes.

2712. Approximately at that time the subsidy was given to the millers to enable the flour to be made and the loaf sold at 9d.?—Yes.

2713. If that is so, will you explain to me and the Commission how it is that by control and by that subsidy any of the money went into the English farmer's pocket?—Is it not this: the English farmer would have got that amount of money in one way or another—the consumer would have paid it to him. The State stepped in and said to the farmer: "we are going to save the consumer, and we are going to pay you." I do not want to suggest for a moment that in that case the State came in and gave the farmer something which he would have got if the State had stayed out.

2714. I suggest to you, instead of the State giving the farmer anything, that in consequence of the farmer's price being controlled at less than he could have got at that time in the open market, the farmer gave the State something?—I agree the farmer certainly lost something by the whole transaction.

2715. Is it within your knowledge that at the time the Government gave the subsidy to the millers there were some bakers in England selling bread at 9d. a loaf at a profit?—I do not know if they were selling it at 9d. I know some bakers were selling at much below what others were charging—something very near 9d.

2716. I put it to you that there were bakers—notably co-operative societies—I can give instances if necessary—who were selling bread at 9d. a loaf and at a profit, and the subsidy gave them an extra 18s., I think it was, a sack profit. Now I want to ask you something about feeding stuffs. You have told us that it was not your Department that was responsible for the decontrol of feeding stuffs. Is that so?—Certainly the initiation in decontrol did not come from us.

2717. Mr. Roberts, the Food Controller, is a member of the Cabinet?—Yes.

2718. Could you inform us whether he protested against feeding stuffs being decontrolled?

Chairman: That has been dealt with already, and I cannot have criticism of the Cabinet.

2719. *Mr. Langford*: I will put the question in another form. I will take linseed oil cake. That was controlled by your Department at £19 per ton. Is it within your knowledge that when it was decontrolled it fell to £16 per ton?—For a brief space of time it fell.

2720. I was one of the fortunate ones who bought it at £16 a ton. I put it to you that if your Department had had Treasury sanction, you could have gone on the market and purchased the whole of the feeding stuffs at £16 a ton, which would have enabled you to sell them to the farmers to produce milk?—I do not know whether we could have got it all. I expect if we had gone in, the price would have gone up somewhat; but we could have bought it cheaply no doubt.

2721. Is it a fact that when it was decontrolled, speculators went into the market and collared it?—Are you thinking of cake or of linseed oil?

2722. At any rate, cakes are composed of the by-products of other things?—When we decontrolled oil seeds, undoubtedly there was a lot of speculation.

2723. Can you tell us what the price of linseed oil cake is to-day?—£25 is our price at the mill.

2724. Can you tell us approximately what the average cost of getting that from the mill to the farmer's premises would be?—No, I am afraid I cannot tell you that. I expect you know that better than I do.

2725. Bran at the moment, I believe, is controlled. Can you tell me at what price?—No; I am sorry I cannot tell you that from memory.

2726. Will you take it from me that it is controlled at the mill at £11?—Yes, I will take it from you.

2727. Will you agree with me that whilst bran is controlled at the mill at £11, farmers cannot obtain it under £14?—I can neither say yes nor no to that, I am afraid. I should have to enquire.

2728. Will you agree with me when I tell you that I bought bran yesterday at £14 a ton?—I should certainly accept your statement.

2729. If it costs £3 a ton to get bran from the mill to the farmer's premises, is it fair to assume that it would cost equally as much to get linseed oil cake from the place of manufacture to the farm?—I am afraid you are more of an expert in these things than I am.

2730. I want to point out that it is not merely the farmer who is to blame for high prices, and that there are other elements. Assuming it cost £3 a ton to get cake from the manufacturer to the farmer, the price to the farmer would be £28 a ton?—If it does cost that, yes.

2731. I think you will agree, home produced foods being extremely short, it will be very necessary for the farmer who is going to produce either beef or milk to use an abnormal quantity if he can obtain it of purchased foods?—I should think that is true

2732. Do you agree that a rise of price from £16 a ton to £28 would be an important factor in increasing the price of milk for the winter months?—Very important.

2733. Will you agree with me that it might have been avoided to that extent?—It is so difficult to say what might have been. I think it is possible, if there had been no breach in the continuity of control, prices might have been lower—how much lower I do not know.

2734. I think you will agree that farmers as such have never asked for anything to be controlled?—I do not think that is universally true.

2735. The Board of Agriculture themselves are against control?—Yes, but the Board of Agriculture have not always agreed with the farmers.

2736. I believe your Department made a very big profit last year?—It made a big gross profit.

2737. The amount you took out of it enhanced the price to the consumer?—No more than any other item in the cost of the article. You are referring to our gross profit, a lot of which goes to reserve, and there is the cost of administration, which is a necessary part of all costs.

(*The Witness withdrew.*)

SIR JAMES WILSON, K.C.S.I., Chairman, Central Agricultural Wages Committee for Scotland, called and examined.

2738. *Chairman*: You are the Chairman of the Central Agricultural Wages Committee for Scotland?—Yes.

2739. You have prepared a statement which none of us has had the opportunity of seeing yet? I am sorry I did not have time to get copies made.

2740. The headings of that statement are: (1) Constitution and Term of Office of District Committees and of the Central Committee; (2) Powers of Committees; (3) Method of working and rates fixed for male workers in Forfar and Perth, Fife and Kinross, Ayr, Dumfries and Galloway, and in other districts; (4) Valuation of benefits and advantages; (5) Rates actually paid considerably above minimum rates; (6) Minimum rates for adult woman workers?—Yes.

2741. What we want to try to do is to find a balance sheet of agriculture for to-day and for to-morrow. That is what we are out to get, and no doubt what you will be able to tell the Commission will be of great advantage to them. I would suggest that perhaps items (1), (2) and (3) might be lightly touched upon. Items (4) and (5) you might perhaps develop to a larger extent, and generally the statement which you have prepared for our information might be included amongst the documents appended to the report of to-day's proceedings?—Very good, sir.

Chairman: I will ask Dr. Douglas to be so kind as to commence the questions to you.

2742. *Dr. Douglas*: The system in Scotland is a little different, is it not, from the English system? There are special clauses of the Corn Production Act applying to Scotland?—Yes. There are considerable differences. Perhaps it will be better if I read what I have to say about that subject.

2743. Yes, we should be glad to have those remarks of yours?—The Provisions of the Corn Production Act regarding the fixing of minimum rates of wages for agricultural workers are greatly modified, in their application to Scotland, by the Second Schedule to the Act, which has the effect in Scotland of dividing the powers of the Agricultural Wages Board between the District Committees and the Central Committee. Under that schedule, and the regulations which have been issued by the Board of Agriculture for Scotland, the country has been divided into twelve Wages Districts, each of which has its own District Wages Committee, formed of representatives of employers and workers in equal numbers, with a chairman elected by agreement between the two sides.

2744. There is no nominated outside member?—No. The number of representatives on either side varies for the different districts from four to nine. In most of the districts the representatives of the employers were elected at meetings of delegates sent for the purpose by the Scottish Chamber of Agriculture, the National Farmers' Union of Scotland, and the principal local agricultural societies. In a number of districts the selection of the workers' representatives was made by the local branches of the Scottish Farm Servants' Union, non-members being in some cases invited to take part in the selection, but in some districts, especially in the Highlands, where there were few branches of the Union, the selection of workers' representatives was made partly at meetings organised by the Executive Committee of the Farm Servants' Union and partly by nomination. The election of the representatives on both sides was left as much as possible to the employers and workmen of each district. This led to considerable delay in setting up the Committees, but in the end resulted in giving almost every district a wages committee, each member of which had been elected. The Board of Agriculture were able to accept each of these twelve committees as fairly representative of the employers and workers of the district, and to certify it as the committee invested with the statutory powers conferred by the schedule on a District Wages Committee. As required by Schedule II. the Board of Agriculture grouped these twelve districts into five groups, in each of which the employers' representatives and the workers' representatives respectively elected a member of the Central Wages Committee for Scotland. These ten elected members, with the Chairman and two women members appointed by the Board of Agriculture, form the Central Committee. Thus, with the exception of those three appointed members, practically all the members, whether of the District Committees or of the Central Committee, have been elected by the persons interested, or by delegates selected by them for the purpose. The Board of Agriculture fixed the term of office of the Chairman of the Central Committee as three years. For the other members, both of the District Committees and of the Central Committee, the term of office was originally fixed to expire on 31st December, 1918, but it has since been extended and under the present orders will expire on 31st December, 1919. The Central Committee have recently unanimously recommended the Board of Agriculture to arrange for a complete new election of all members about October next. Then as to the powers of committees. In Scotland, under the schedule, a District Committee exercises all the powers of the Agricultural Wages Board under the Act, except such as may be reserved to the Central Committee by regulations made by the Board of Agriculture. The only powers reserved are (1) the power of taking proceedings against an employer under Section 7 of the Act for paying less than the minimum wage, and (2) the power of laying down general principles on which benefits and advantages are to be valued for the purpose of the minimum wage. Otherwise the powers of the Agricultural Wages Board in England are almost entirely exercised by the District Committee in Scotland.

2745. Do the decisions of the District Wages Board require the sanction of the Central Committee?—As regards rates of wage, they have got to report to the Central Committee their decision, and the Central Committee may within three months disallow that decision. It need not pass any Order about it at all, in which case it comes into force after three months, but it may within three months disallow the decision of the District Committee.

2746. The fixing of wages in Scotland is in the nature of an agreement between the two sets of persons concerned acting through their representatives, subject only to a power of veto to be exercised within three months by the Central Committee, and that Central Committee in its turn is chiefly representative of the two interests?—That is so. There is one guarding principle I must put in there. The idea was that the representatives of the two sides should agree, but as a matter of fact they have very seldom agreed as regards the minimum rate to be fixed. The general rule has been that they have differed to such an extent that their Chairman could not bring them together. The voting was equal on either side. The Chairman has not got a casting vote, but the Chairman of the District Committee in the case of equal voting has power to give a decision, and in a great many cases that has been the state of things. The workmen's and the farmers' representatives on the District Committee being equal in voting, the Chairman had to give the binding decision of the District Committee.

2747. To come to another point, can you tell us within what limits the minimum wages in Scottish districts are fixed?—Yes, I have a list of them here.

2748. Give us the highest and the lowest?—The highest was fixed by the Central Committee the other day for ploughmen, cattlemen, and shepherds in the Forfar and Perth district. The fixing of that rate came forward to the Central Committee, which had then the power to fix the rate they thought best. In that case we fixed 42s. a week for an experienced ploughman, cattle man, or shepherd.

2749. What was the lowest rate? The lowest rate of all, I think, is in the North West Highlands.

2750. I think the North West Highlands district would scarcely be a comparable district. Take the lowest of the other districts?—The lowest of the other districts is 30s. for an adult worker over 21, who is neither ploughman, cattleman, nor shepherd.

2751. Where is that?—That is in Caithness, in Sutherland, Moray Firth, South West Highlands, and also in the Border Counties.

2752. You have evidence to give us with regard to the actual wages paid to the effect that these are

considerably above the minimum rates?—I have not very complete evidence, because the Central Wages Committee has not an opportunity of rapidly collecting information as to actual wages paid.

2753. Will you put into the Commission when you can such information as you possess?—Certainly; and the Board of Agriculture are, I believe, considering the advisability of collecting accurate information all over Scotland, which they alone are in a position to do.

2754. Is it the general fact that the actual wages are several shillings a week above the minimum rate?—A good many shillings, I should say.

2755. An average of 5s.?—Rather more than that.

2756. What do you suppose is the highest actual wage?—Somewhere about 60s. a week.

2757. Including the value of the house and perquisites, but that is for married men?—That is for married men, and in some cases for unmarried men, but that is rather exceptional.

2758. Do you think in fixing these rates regard is had to the prices of agricultural products and the profits of the industry?—Do you mean in fixing the actual rates that are paid or the minimum rates?

2759. The minimum rates?—Yes, we do pay regard to the cost of living and to prices.

2760. I do not suppose you paid any regard to the prices of grain in the Corn Production Act?—No.

2761. But actual ruling prices?—Yes; not so much as affecting the farmer, but as affecting the man and his family.

2762. That is what I want to get from you: was it the cost of living you took chiefly into consideration?—Yes, that was the chief element. We took the prices published in the *Labour Gazette* every month—the rise of prices compared with the rise in the cost of living.

2763. It was rather the cost of living than the profits of the industry that you considered?—It was certainly more so, but, of course, the farmers on these Committees brought forward the question of the effect it would have on farming, but that was not given so much weight to as the effect it would have on the cost of living of the man and his family.

2764. What is the lowest minimum fixed for women adult workers?—20s. in most districts. The lowest is 18s. in Fife and Kinross.

2765. For what hours?—That was 9 hours a day in Fife and Kinross.

2766. 54 hours a week?—Yes.

2767. That was the lowest minimum fixed?—Yes.

2768. What was the highest minimum fixed?—25s. in Shetland of all places. It was fixed by the Sub-Committee for Shetland, and although it seemed to us in Edinburgh compared with other districts a very high rate, we allowed it to pass because it represented an agreement on both sides on the local Sub-Committee.

2769. To go back to the general question, has the question of hours been closely considered in fixing the minimum rates in the case of men?—There has been a good deal of discussion about it. Shall I give you the history of it?

2770. I do not know that we want that at length, but taking it generally has the minimum wage been fixed for any other than the customary period of service?—During the war it was fixed on the customary hours. I myself was strongly opposed to any limitation of hours, or any definition of hours which might lead to less work being done during the war.

2771. Were the customary hours on the whole about 52 to 54 a week?—More than that. The customary hours before the war over a great part of Scotland were 10 hours a day six days a week.

2772. Sixty hours?—Yes, over a considerable part Scotland.

2773. Since then what has happened?—They are being reduced now partly by agreement. After the war the question came up again, and by recent Orders of the Central Committee the hours are being limited for the purpose of reckoning the minimum wage. Of course, that does not force a limitation of hours upon the employer or his men, but for the purpose of the minimum wage we fixed a definite number of hours less than the old customary hours.

2774. You have told us that there was a strong tendency to disagree among the local representatives. That shows that there has been no kind of collusion on the part of the two sets of representatives to set up a high rate of wages in the hope of getting something out of the Government by way of guarantee or of compensation?—There has been no such collusion, I am sure.

Chairman: I shall be glad if you will kindly proceed now with the reading of your statement, Sir James.

Witness: I go on to say: The power of fixing a minimum rate of wages rests, in the first instance, with the District Committee, which is required to report its decision to the Central Committee, and unless, within a period prescribed by the Board of Agriculture as three months, that decision is disallowed by the Central Committee, the minimum rate fixed by the District Committee becomes legally enforceable under the Act. At this stage the Central Committee has no power to modify the order of the District Committee—they can only either (1) disallow it, (2) resolve not to disallow it, or (3) pass no order and so leave it to come into force on the expiry of the three months. If the Central Committee disallow the order and so cancel it, they communicate their decision, with the reasons for it, to the District Committee, who are then given 21 days within which to pass a revised order fixing anew the minimum rate which has been disallowed. This revised order has to be reported to the Central Committee, who again are given 21 days within which to disallow it. If they do not disallow the revised order within the period, it comes into force: but if they do disallow it, it is in effect cancelled. If the result of this procedure is that any class of worker in the district is left without any rate applicable to it, then the Board of Agriculture, under the powers vested in them by the schedule, hold that the District Committee have failed to fix a rate which they were required to fix, and refer the fixing of the rate to the Central Committee, who thereupon exercise all the powers of the Agricultural Wages Board as regards fixing that rate. Then as to the method of working and the rates fixed for male workers. At first there was a wide gulf between the views of the employers and of the workers in the District Committees as to what minimum rates they should fix, the general idea of the employers being that for men over 18 years of age a flat rate of something like 30s. a week (including the value of benefits and advantages) should be fixed; while the workers usually stood out for a flat rate of 45s. a week. In most important cases the Chairman of the District Committee was unable to get the two sides to come to an agreement, and had to give the decision himself. When these decisions came before the Central Committee, it appeared that there was a similar divergence of views there between the employers' representatives and the workers' representatives; and as, in most cases, one of the two women members voted with the employers and the other with the workers, it was often the Chairman's vote which really decided the question. (It was only rarely that, when the Chairman had exercised his vote as a member, the voting was equal, so that he had to exercise his power as Chairman to decide the question as he thought fit, in the case of an equality of votes. On the District Committees the Chairman has no deliberative vote, nor a casting vote either. If there is an equality of votes he does not get a casting vote, but he has power to decide the question as he thinks fit. On the Central Committee, on the other hand, the Chairman has a deliberative vote and may give his vote on any question that arises, and if there is an equality of votes then he does not necessarily exercise a casting vote, but may decide the question as he thinks fit. On the District Committees very often the Chairman had to decide the question, because there was an equality of votes. On the Central Committee I generally gave my vote either on one side or the other, and that very often carried the day. There was hardly ever an equality vote, so I hardly ever had to give an individual decision, which the Chairman of the District Committee very often has to

give.) Then I go on to say: The Committee generally agreed that, where the District Committee had arrived at a decision with practical unanimity, they would not, as a rule, exercise their power of disallowing it, but would let it pass as representing an agreement between the local representatives, even although the Central Committee might not entirely approve of it. In other cases also, when the decision of the District Committee was only that of a majority, or of the Chairman himself, the majority of the Central Committee thought it best not to disallow it, unless it seemed much too high or too low, or involved a question of principle. One result of this system of working was that there is great diversity between the rates fixed, and between the conditions on which they are to be reckoned in the different districts. Will you allow me to give you a very good instance of the way decisions are given in Scotland? We have been progressing in our ideas, and the Central Committee at its meeting on the 12th June passed important decisions regarding male workmen in three districts. One was Forfar and Perth, in which the wages are of the highest. For that district the Central Committee, in accordance with the recommendation of the District Committee, decided that the minimum rates are to be reckoned as applying to an average for the year of 54 hours per week exclusive of meal times and time required for stable-work, allowance being made for 21 full days or 42 half-days holidays in each year, besides the usual New Year's Day holiday, and in the case of yearly engagements one hiring fair day, and in the case of half-yearly engagements two hiring fair days, and that all employment in excess of the working hours so calculated shall be treated as overtime employment for the purpose of the differential rates for overtime, provided that, when a workman is by the conditions of his employment required to attend to animals, no stable-work, byre-work, shepherding, or other work necessary for the health and comfort of the animals shall be reckoned as overtime employment. The history of that condition in Forfar and Perth, as I daresay the Commission know, is this: there was an important conference between representatives of the National Farmers' Union and the Farm Servants' Union of Scotland at Perth, at which the question of working hours was discussed, and an agreement was come to between both sides at that conference, and a recommendation was issued through the Press in accordance with these conditions I have just read out. Owing to some misunderstanding that agreement unfortunately fell through, and those recommendations have now been withdrawn. But the Forfar and Perth Statutory Wages Committee thought it best to base the calculation of the working hours on that agreement, which has been acted upon by a good many of the farmers in different parts of Scotland, although the recommendation was withdrawn by the two sides, and we thought that it was a fair arrangement, and as the District Committee of Forfar and Perth wished to fix those hours as the basis of the calculation of the minimum wage, the Central Committee fixed them accordingly. On the other hand we had made a similar sort of proposal for Ayrshire. The Central Committee had ultimately to fix the rate of wages in Ayrshire for male workers over 18. We proposed the same sort of scheme that we had proposed for Forfar and Perth. We consulted the Ayr District Committee about it, and they unanimously recommended that instead of different rates for different classes of men there should be a flat rate of 37s. per week for all male workmen over 18 years of age, to be reckoned on the hours customarily worked in the district. The majority of us in the Central Committee did not approve of that flat rate on the customary hours, but as it was a unanimous recommendation from both sides, we fixed it in accordance with their recommendation. So that the conditions in Forfar and Perth are different from those in Ayr, because the Local Committee in Ayr thought it best to come to an agreement. I have papers here showing what rates have been fixed—I can get copies from Edinburgh—and also showing the values placed upon the benefits and advantages, or the perquisites, as they call them in Scotland. It is a very important question in some parts of Scotland because it comes to a lot of money. In my own neighbourhood they come to about 16s. a week. In all these cases we have included in the rates we fixed the value of the benefits and advantages.

2775. *Dr. Douglas*: They are put in at a valuation and included in the minimum wage?—Yes.

2776. *Mr. Rea*: Do I understand that the Central Committee is appointed by the District Committee—so many representatives of employers and so many representatives of workers?—There are five on each side elected by the employers on the District Committees and the employees. We have 12 District Committees, but they are grouped for this purpose into five, according to the Act.

2777. Each Committee has not got a representative?—No; there are generally two or three Committees in a group.

2778. You mentioned two members besides yourself appointed by the Board of Agriculture. Are they independent or do they represent one section each?—They are appointed by the Board of Agriculture. The Act simply says the Board has to appoint two women members. It says nothing about their qualifications at all. One of them, as a matter of fact, is the Duchess of Atholl, and the other Miss Jobson, from Aberdeen. Those are the only two appointed, and I myself have been appointed as Chairman. The others have all been elected.

2779. You have nothing in the nature of independent members beyond those?—No.

2780. Are there any independent members on the District Committees?—No, none at all. Even the Chairman of the District Committee is elected by the elected members of the Committee itself.

2781. The District Committees have the power of fixing wages subject to your either confirming or rejecting it?—They have.

2782. It is not your Central Committee which fixed the wages and sends it to them for approval?—Not unless the District Committee fails to fix them, in which case it comes to the Central Committee.

2783. In practice you say you have found that the District Committees very rarely come to an agreement except by the decision of the Chairman?—They often did not come to an agreement, and in that case the Chairman himself gives his own decision as he thinks fit.

2784. Which is really practically the casting vote of the Chairman?—Yes, I believe it was put in that form as the Chairman might not wish to vote either with one side or the other, but to give an independent finding of his own.

2785. Do you mean his finding might not be in accordance with the proposition the Committee favoured, and that he might make some different proposition and send it up to your Central Committee?—Yes, that is so.

2786. In your benefits and allowances you include a much greater number of things than we do in England. That, I presume is because the custom prevails in Scotland that a good deal of the wages are taken in kind?—In some parts of Scotland. It varies very much in different parts of Scotland.

2787. On both sides do employers and workmen wish that system to be continued?—There has been a good deal of discussion about it. I believe that a number of the farm servants would like to see wages in kind abolished and wages in cash introduced, but I think the majority of the farm servants prefer to adhere to the old custom—at all events at present.

2788. Because they get their house and potatoes, coals, and in many cases meal, and that sort of thing?—Yes, in many cases.

2789. And you include practically in the benefits many of these things which it has been custom to provide?—Yes. One or two Committees have prohibited the inclusion of some things. For instance, in some places the claim was made that the cartage of coal should be allowed for. When a man changes from one farm to another, his goods are carted for him by the farmer, and there was an idea of charging for that. Some Committees have allowed it to stand, and others have prohibited it towards the reckoning of the minimum wages.

2790. You have no fixed scale. It is according to the requirements of the District Committee to

suit their own localities?—Each District Committee draws up a list of the allowances to be made.

2791. The Central Committee has no recognised scale; it leaves it to the District Committee?—We have the power to decide an appeal in case of difference. One side or the other, if a difference exists, may refer it to the Central Committee by way of appeal. We have only had one such appeal, and therefore practically it has been decided by the District Committee without interference by the Central Committee, except that the Central Committee were directed by the Board of Agriculture to draw up the principles on which these values should be reckoned, and that we have done.

2792. You say you are reducing the hours to 54?—Fifty-four, subject to holidays. As I said, the Forfar and Perth Wages Committee recommended for their district that the minimum wage should be reckoned on the hours agreed upon by the Perth Conference, which was a voluntary thing outside the Act altogether. In that part of Scotland most of the ploughmen and shepherds are engaged for the whole year. If a man engages according to the recommendation of the Perth Conference for a 54-hour week, subject to 21 days' holidays, or 42 half-holidays in the year, he is really bargaining to work 50 hours a week for the whole year. The average comes exactly to 50 hours.

2793. In the case of cattle men, is time of attending to the stock and the stable work over and above that time?—It is.

2794. It is 50 hours field work?—Yes.

2795. Is the cattle man paid for his stable work as overtime?—In the case of Forfar and Perth the Central Committee the other day fixed the minimum wage for an ordinary labourer at 36s. a week, and said that if a man was employed as a cattle man or a ploughman, or a shepherd, he must get a lump sum of 6s. a week more to cover his stable work and attendance on the animals.

2796. In the case of shepherds, have you not a great number of men engaged on "kind" wages and getting no cash at all?—Formerly that was so, but now a shepherd gets a cash wage and considerable perquisites in addition—sometimes what is called a pack, which means a number of sheep.

2797. Is it left to private bargaining between the employer and the man?—For the purpose of the minimum wage?

2798. Yes?—Some of the Committees have left it to be dealt with as each case comes up. Some of the committees have fixed what they think to be a fair average.

2799. It is more the principle than the means I was trying to get at—whether it was left to the employer of the man, or whether the District Committee reserved to themselves the right of saying what the keep of a cow should be in arriving at the minimum rates?—Some districts have reckoned the average value of the keep of a cow, and others simply as it comes up.

2800. You say women workers are practically engaged for the whole year?—Yes. It is the fact that in Scotland quite a number of women are engaged for the whole year or for six months.

2801. Has the committee fixed rates for casual workers as well as weekly rates?—Yes, we have fixed rates for those too.

2802. *Mr. Overman*: You said that the benefits and additions, or perquisites as you call them in Scotland, in Forfarshire and Perthshire amounted to 16s. a week?—About that at present prices.

2803. In reckoning a minimum wage of 42s., that was taken into calculation, I presume?—Yes.

2804. Is any portion of that deducted from the 42s. when the man is paid?—No, not when the man is paid.

2805. He gets his 42s. and his perquisites?—Pardon me, he gets far more than 42s. in cash altogether. His actual wage is much higher than the minimum wage, but a farmer is not liable to be fined unless he pays a man less than 42s. all told. If a case arose in which a farmer was accused of paying less than 42s. to the ploughman, the Court would have to reckon what was the value of oatmeal, milk, potatoes, and house, and that sort of thing given to the man besides his cash wages, and only if that total fell below 42s. a week would the farmer be liable to a fine.

2806. *Mr. Batchelor*: I think it would be an advantage to this Commission if you would give us in detail, as to Forfarshire and Perthshire, the items making up the 16s., or whatever the figure is, per week for perquisites, if you have them?—I remember them pretty well because Perthshire is my neighbourhood. In Perthshire it includes the house and garden. I am not sure about England, but in Scotland every house is put down as worth something on the valuation roll, and we have agreed to take that valuation as it appears in the last valuation roll as the value of the house for this purpose. Generally speaking, in Perthshire it is £4 a year. Then he gets 65 stones of oatmeal a year and has half a gallon of sweet milk a day.

2807. Potatoes?—About a ton of potatoes in the year. It varies a good deal.

2808. Any other items?—There generally are some other items besides those. Those are the main ones. It comes to about 15s. or 16s. a week at present prices.

2809. Married or single?—Single men often get rather less oatmeal and milk. Those are the perquisites of an ordinary married ploughman.

2810. The minimum wage is 42s. you have told us?—Yes.

2811. Can you give us an idea of what the actual wages are which were paid in Forfarshire and Perthshire at last Whitsunday?—I made some enquiries as to what were being paid before Whitsunday, and ascertained that Perthshire and Forfarshire wages were rather over 50s. a week for the ordinary ploughman.

2812. Are you aware that in Forfarshire at the end of May—immediately after the 28th—single ploughmen were being engaged at a cash wage of £80 for the half year?—I saw that reported in the papers.

2813. That works out at 61s. 6d. per week in cash, and those same men would have in addition 15s. or 16s. of perquisites?—I have no information except what I saw in the newspapers about those high cash wages. Of course, it is possible that the men who got those high cash wages did not get any perquisites.

2814. I can assure you it is a fact that they were getting perquisites in addition to the cash wages. That makes a total of 77s. 6d.?—I believe there are some cases like that.

2815. That is the highest in Scotland?—It is the highest that I have heard of.

2816. I suppose Forfarshire and Perthshire are considered to be about the best cropping counties in Scotland?—Yes, quite.

2817. In addition to that, I think probably you will agree with me that the ploughmen there work as well and probably better than in any other part of Scotland?—So I understand—they are very good men.

2818. In previous days their working hours were 60 hours a week?—Yes, before the war I believe they were. In some part of Perthshire before the war they got it down to 9½ hours a day—57 hours a week.

2819. Now these same workmen are really actually working 50 hours a week in addition to stable time?—On some farms.

2820. By allowing the half-holiday, is it not the case that these men in Forfar and Perth engaged at Whitsunday last worked 9 hours on 5 days a week, and half a day on Saturday?—Those engaged according to the Conference agreement, but I do not think that is the state of things on all farms.

2821. Can you also confirm that at Whitsuntide of this year labour was very scarce?—So I understand.

2822. And that supply and demand regulated these high wages?—So I believe.

2823. And that it was an absolute necessity for the farmer who had his crop in the ground to get workers at whatever cost, so as to be able to get the crop out of the ground during this summer?—I suppose so.

2824. That probably had some effect on the wages being so high?—No doubt it would.

2825. *Mr. Ashby*: You have explained the difference between the constitution of the English District Committees and the Central Committee and District Committees in Scotland. Was the reason of the appointment of these District Committees because of the passing of the Corn Production Act?—Yes, I believe it was chiefly owing to that. That was a matter which was discussed when the Bill was before Parliament and I had nothing to do with it then.

2826. From your experience of watching the working of the two systems in England and in Scotland, have you any opinion to offer as to their working?—I am not prepared to say that the system in Scotland should be extended to England. The circumstances differ.

2827. Do you think the difference in the constitution of the Committees in the two countries has any effect upon the rates of wages fixed?—I do not know that the difference in the constitution would have much effect in that way. The difference in the persons elected or appointed, I think, has made some difference.

2828. It is sometimes suggested that in the absence of a third party in the constitution, two sides might, so to speak, put their heads together and raise wages to the disadvantage of the public. Do you think there is any great danger of that happening?—None in Scotland at the present moment.

2829. Do you think when both sides have to meet with a Chairman that they elect, their considerations of the factors in the determination of the wage are much nearer to the essential economic condition of the industry than when a third party is present?—I am hardly prepared to say that. They listen to each other's views and objections, and gradually learn a good deal from each other. I have seen evidence of their coming nearer to a common agreement even where they have not been able to agree. I think it is a matter of time, and it is a very great advantage for them to be brought together and to listen each to what the other has got to say; but I think there is a great advantage in having independent persons who, so to speak, hold the balance between them.

2830. You really could not indicate any effect on the rates fixed that might be due to the difference in constitution?—I am not familiar with the actual working of the English Agricultural Wages Board and its Committees, but I should imagine that the appointed members have in England a very much larger say in the actual decision regarding the minimum rate than the appointed persons have on the Committee in Scotland.

2831. *Mr. Dallas*: Just following up Mr. Ashby's question, you said it seemed to you that in England the appointed members have a very much larger say in the fixing of the minimum rate than the appointed members in Scotland do. Previously you stated that on very few occasions whatever have the employers and their workers agreed, and that any decision that was arrived at was the decision of the Chairman of the District Committee sent on to the Central Committee?—Very often as regards minimum rates.

2832. It would seem that the appointed member in Scotland or the Chairman has a very large say?—The Chairman is elected by the Committee itself.

2833. Yes, but it is more often a matter of his decision than the decision of the Committee itself?—Yes.

2834. On the Central Committee you said you very seldom had to exercise your casting vote, but that you voted when any question came up. The two sides are equal plus two women, one the Duchess of Atholl and the other evidently a working class woman?—No, she is not a working class woman. She is a woman who is very much interested in the working classes.

2835. The same thing possibly. One woman according to your evidence votes on one side, and the other on the other side?—Often, not always.

2836. So that the decision again in that case is the decision of the Chairman, although he does not exercise a casting vote?—I am one of the majority. My vote sometimes goes with the employers and sometimes with the men.

2837. I do not want to suggest that you are biassed, but would you say that more often you see greater reason on the employers' side than on the workers' side?—I think on the whole I have seen it more often on the employers' side.

2838. Would you give us an estimate of what the stable work is? You have talked about 54 hours plus stable work. How long does stable work take per day?—I have made a number of estimates and asked farmers and men about it, and I think a fair estimate is an hour a day.

2839. That destroys the statement that the working week in Scotland is 50 hours, because on to the 50 hours you have to add another hour's work a day, making 56 hours?—Yes, for the ploughmen.

2840. It was the ploughman we were talking about—the 42s. wage for a 50 hours' week, plus stable work. You told us that that was for a 50 hours' week, whereas as a matter of fact it would average out on your own figures at 56 hours a week?—57. Perhaps you did not quite understand. First we fix a rate for all men of 36s. Then we say if a man is a ploughman or a cattleman or a shepherd, he gets 6s more. That makes 42s. So that if a man is not in charge of animals, his minimum wage is 36s. only.

2841. How would you account for this, as it seems to me, very extraordinary state of affairs that the minimum wage has no relationship to actual facts—that is to say, you tell us about a wage of 36s., but the actual wage paid and received is very much higher?—Will you permit me to read a paragraph I wrote on that subject in reply to that question?

2842. Certainly.—"The minimum rates of wages have in Scotland generally been fixed with the object of securing to the ordinary worker in agriculture a sufficient wage to enable him to maintain himself and his family at a reasonable standard of living; but it has been borne in mind that they will be applicable in practice not only to the ordinary worker but also to the least efficient, so that the effect of fixing them too high would probably be to reduce the number of workers employed on farming, and to make it impossible for the less efficient workers to obtain employment in agriculture at all. No attempt has therefore been made by most Committees to fix the minimum rates as the standard rates to be actually paid to the ordinary worker. These standard rates have been settled from time to time according to the relation between the supply of labour and the demand for it, either by private agreement between employer and worker or by collective bargaining at conferences held between representatives of the Farmers' Union and the Farm Servants' Union. In several districts these conferences have been able to agree upon a joint recommendation as to actual wages, which has been generally accepted and acted upon by the employers and workers of the areas concerned, thus preventing much individual haggling and some unnecessary changes of employment. So far as my information goes, I believe that during last winter the prevalent rate of wages actually paid (including the value of the benefits) to the ordinary ploughman, shepherd, or cattleman in the Lowlands of Scotland was about 50s. a week in some districts more, in some less. Since Whitsunday there has been a rise in actual wages in some areas, but not in all, and cases are now to be found where ordinary ploughmen are now getting as much as 60s. a week all told. Thus, generally speaking, in Scotland the present actual wages are considerably higher than the minimum rates, and one consequence of this is that there have been so far few complaints under the Act, and no prosecutions.

2843. I was going to come to that. You are asked by the Government, according to the Corn Production Act, to fix a wage that would be adequate to promote efficiency and to enable a man in an ordinary case to maintain himself and his wife and family in accordance with such standard of comfort as may be reasonable in relation to the nature of his occupation. How do you reconcile that with the fixing of a wage at 30s. a week?—In the opinion of some of these District Committees at all events, 30s. a week was sufficient for the ordinary workman.

2844. To keep himself and his wife and family in a reasonable state of comfort?—Yes.

2845. With the cost of living at the tremendously high level at which it has been during the past 18 months?—You must remember the standard of comfort varies very much in Scotland.

2846. Would you say there could be any standard of comfort at all on a wage of 30s. a week with prices as they are at present? I should say it would be a standard rather of discomfort?—Your standard is not the same as those people's. In some parts of Scotland the standard hitherto adopted has been comparatively low. There is a difference between the Lowlands and the West Highlands.

2847. You have to reconcile the standard of comfort with something that will promote efficiency. Would you say that a wage of 30s. a week would be likely to promote efficiency in a workman?—Not generally speaking, no. You will remember that these decisions are not generally my own decisions.

2848. I thought most of them were?—No, not quite.

2849. According to your evidence I think you stated that the employers and the workmen did not agree on the District Committees, and that it came up to the Central Committee, and on the Central Committee the employers and workmen disagreed again, and generally you voted with the majority which was a majority of one, and therefore it came down to you?—Not always.

2850. Will you explain how the District Committees came to fix a wage of 20s. a week for women?—In almost all these cases the wages were fixed by the District Committees and passed by the Central Committee.

2851. Would you suggest that a woman could keep herself in decency and comfort on a wage of 20s. a week?—I should not say so myself in most cases.

2852. It seems to me extraordinary?—The actual wages are a good deal more than that in the greater part of Scotland at present.

2853. Do the organised workers in Scotland, through their trade unions, take the Wages Committees and the Wages Board as a serious factor in determining their wages?—In determining their actual wages?

2854. Yes?—No, not at all at present.

2855. *Mr. Green*: What we are after, Sir James, is a balance sheet. Have you any balance sheets in your office to present to this Commission, of Scottish farms?—No, not in my office.

2856. Are you able to get hold of balance sheets for us—are you a member of the Scottish Board of Agriculture?—No, I am simply Chairman of the Central Wages Committee.

2857. With all due deference to Mr. Batchelor ,are not the Lothian farms the most efficient in Scotland?—I should not say they are the most efficient; they are among the most efficient.

2858. I think it would be very useful to this Commission if you were to get balance sheets for the Lothian district and for Forfar, and the potato district of Ayrshire. I suppose we cannot get those from you?—No, not from me.

2859. With regard to the Chairmen of these District Committees, are they invariably farmers?—No. There is only one farmer that I know who is Chairman of a District Committee—that is Mr. Gardner.

2860. All the others are farm servants?—No, they are generally outsiders. There are two sheriffs, and one sheriff's substitute, one lawyer, and two landowners.

2861. Are there any farm servants as Chairmen?—No, not as Chairmen.

2862. Was not the half-holiday instituted in Scotland before the war?—In some parts of Scotland—not as a general rule.

2863. In the Lothians district is was?—Only in part of the Lothians.

2864. When the cost of living went up very rapidly during 1916 and 1917, were the rates of wages altered at all in the case of the yearly hirings, or did the men have to submit to the increased cost until the next hiring?—They were not altered between the hirings. If a man was engaged for the year he had to wait until the end of the year before he could make a new bargain and get his wages raised.

2865. In that case the men were having a very bad time while the farmers were having a very good time during that period?—I was not in Scotland then, and cannot speak from personal knowledge.

2866. With regard to crofters, I suppose most of the crofters' families work on the crofts?—I believe so.

2867. The arrangement as to wages does not affect the crofters very much, does it?—It affects very few people in the Western Highlands, where the crofters are most numerous.

2868. What are the relative comparative figures about ploughmen and ordinary labourers?—Is it not the case in Scotland that the stock men rather outnumber the ordinary labourers?—Yes, the ordinary labourer in Scotland who is neither a ploughman, a cattleman, nor a shepherd, is comparatively few in number. There are very few men who are not either ploughmen, cattlemen, or shepherds.

2869. On several occasions when I have advocated higher wages for the English agricultural labourer, I have been informed by the Press that if the English agricultural labourer would only imitate the Scottish agricultural labourer and live upon porridge, he would have a better time of it. Do the Scottish agricultural labourers live entirely upon porridge?—Not entirely, but many of them live largely on porridge.

2870. *Mr. J. M. Henderson*: You said that the hours for farm servants were 60 hours a week formerly, and now they are 50?—In a great part of Scotland before the war the hours were practically 60 a week in summer time—not perhaps in winter.

2871. You know the climate of Great Britain and you know the climate of Scotland. Did you ever know a farm servant to work ten hours a day for six days? Taking the year right through, you will find at least two days almost out of every week, except perhaps in harvest time, on which the farm servant cannot work?—He cannot work out of doors perhaps, but he does some work. There is generally a lot of barn work and farm work and other work to be done, although I daresay it is slack work. At the same time he is on duty.

2872. I have seen a good deal of it in my time, and I know the climate is so irregular, particularly in Ayr, that it is impossible for you to say that the man works 60 or even 50 hours a week. I know they are excellent workers, and they are always willing to work. If a man sets out to hoe a field of turnips, and there is a torrential storm comes on and continues the whole of the day, he cannot go on working; he has to stop. When you have been discussing the wages, have there been any suggestions from any of the farmers lately as to the effect of these wages upon their profits?—Yes; a number of the farmers' representatives pointed out that if they had to pay very high wages they would not be able to employ so many men, or plough up so much land.

2873. Or make so much profit?—They did not put it in that way; they said it would not pay.

2874. That is the same sort of thing. When these farmers came before you to discuss these things, and said what you have just told us, that it would not pay them, did any of them produce to you at any of your meetings any statement which showed you that they could not meet these extra wages?—No, we did not go into that question.

2875. No statement of revenue or payments at all?—No.

2876. That, of course, is what this Commission is after, and you cannot help us in that respect?—I am afraid not in that way.

2877. *Mr. Thomas Henderson*: Will you tell the Commission in how many districts the minimum rate in operation is actual wages?—In very few indeed.

2878. How many individual cases?—That applies to each individual man—how many individual cases. Perhaps you mean in how many cases has the fixing of the minimum wage raised the actual wage.

2879. It may come to that, but that is hardly my point. Have you any evidence to show that the minimum wage fixed by the Central Committee is actually in operation?—No, except in one or two cases that have been reported and gone into when the Committee has decided what the statutory wage should be. In that case, of course, the farmer now pays it.

2880. I put it to you that there is no district where the average wage is anywhere near the minimum, but in most cases it is far above it?—In most cases that is so.

2881. Have you any idea of what the amount of excess is over the minimum wage fixed by the Committee?—In the Lowland districts of Scotland I should think about 10s. a week.

2882. In view of Mr. Batchelor's statement, do you think that is a sufficient allowance? In Forfarshire—and I think he is correct—he said the ploughmen were getting 61s. 6d. plus meal, milk, and so on, which would bring the wage to 75s., whereas the minimum wage of that district fixed by the central Committee is only 42s.?—For a ploughman.

2883. That is 33s. in excess of the minimum in that particular district?—Demand and supply come in.

2884. I quite agree; I am not disputing that. But if that is so, I put it to you that the minimum wage is quite inadequate in the other districts?—I expect there are very few men in Forfar and Perth getting that high rate of wages. The married men in Forfar and Perth are getting something like 52s. or 53s. all told.

2885. You said in reply to Mr. Dallas that in fixing these extremely low minimum rates you had in mind chiefly the interest of the worker, because you feared there would be some sort of catastrophe happen if you fixed a higher rate?—Not chiefly, but we took him into consideration.

2886. I put it to you that you allowed far too great a margin?—Your question comes to this that the minimum rates fixed by some of the District Committees are too low.

2887. Much too low?—A number of them were fixed a year ago or so, and I think we are progressing in our ideas of what the minimum rate ought to be.

2888. You said in reply to Mr. Dallas that in most cases disagreement was the rule in the discussions between the men and their employers on the District Committees, and that the decision was given by the Chairman in most cases?—Very often.

2889. And that in the case of the Central Committee the same thing occurred?—Very often, not always.

2890. That is to say the Chairman in both cases, in practice, fixed the minimum rates?—Very often.

2891. You also said that you had more frequently voted with the farmers' side than with the workers' side?—On the whole, yes.

2892. Because the employers' side struck you as more wise?—More reasonable.

2893. I suppose most of the occasions you are speaking of were with regard to wages?—With regard to hours and perquisites, and all sorts of things.

2894. Confining yourself to wages for the moment, these rates were fixed by the Chairman, and presumably in favour of the employers' side?—Not always.

2895. No, but in the majority of cases. Seeing that the wages actually paid are in some cases at least 10s. above the minimum, would you not like to revise the minimum rate?—I should probably now try for a higher level of minimum rates than we have actually passed.

2896. I suggest to you now you would more often vote with the workers' side than the farmers' side. What is the lowest minimum rate you have fixed for men?—I think 27s. a week in the North-west Highlands. That was not fixed by the Central Committee; it was fixed by the District Committee, and the Central Committee saw no reason to disallow it.

2897. Was that fixed by the Chairman's vote on the District Committee?—That particular 27s.?

2898. Yes?—The North-west Highlands District Committee has hardly ever had a proper meeting. It is very difficult for the men to meet—I mean a full meeting. The last meeting that I attended at Fort William did not come off because there was not a quorum. They generally manage to make a quorum, but it is very hard for people to come from the Hebrides and Skye to meetings at Inverness and Fort William: they have therefore never had a full meeting.

2899. I can quite understand that when I see the rate fixed. Is it possible to reconcile that 27s. a week with the words of the Act in Section 5 (6)?—I think it is in the West Highlands.

2900. Could you tell us what is the general attitude of the men towards these minima? Have you any evidence of that?—Do you mean all over Scotland?

2901. Yes, taking it generally. They do not regard these minima as really anything that has to do with them at all, do they?—Not at present; in very few cases has it any effect at present.

2902. It is unreal really?—They have not realised the effect yet.

2903. What are these advantages and benefits you refer to in heading 4? You are going to submit a statement to the Commission? Yes; I have a list here of all the benefits and advantages I have referred to.

2904. Could you include in that statement the principles that were laid down at the Committees?—Yes, I can do that.

2905. Thank you. That will be of service to us. May I ask if these principles were agreed to by both sides?—Some were agreed, and some were carried by the majority of votes. I think I have already said that I have urged the Board of Agriculture to collect fuller information; we are not in a position to collect the evidence ourselves.

2906. Have you any evidence of what overtime rates are actually being paid? I have had no official report. I have only heard here and there.

2907. *Mr. Prosser Jones*: In your capacity as Chairman of the Central Committee you come into contact with both employers and employees on the District Committees?—I try as far as possible to attend their meetings, and they are very good in letting me attend their conferences, although I have no claim to be present really.

2908. Is the supply of labour equal to the demand in the various districts?—It was, of course, very short during the war, and it is still as a rule. In some districts it is shorter than others.

2909. With regard to the efficiency of labour, do you find any falling off recently as compared with pre-war times?—I cannot speak from personal knowledge because I was away from Scotland until about two years ago, but I believe it is as efficient as before. A great many of our best young men before the war went off to Canada and Australia—a number of the best agricultural labourers emigrated in considerable numbers. If they had stayed, I daresay the labour would have been more efficient than it has been. Then in addition to those, all our best young men, of course, went off to fight during the war, and those left could not possibly have been so strong and able and efficient as the men who went off to fight, but most of them are coming back again now.

2910. It may help the Commission to know your opinion as to the probable supply in the near future?—That is a very big question. I can only give my own personal impressions. I think that a considerable number of the young ploughmen will try to get employment elsewhere—abroad. I think there will be quite a rush again of young ploughmen and shepherds from Scotland to Canada and Australia and to some of the other Colonies. On the other hand men who during the war had become accustomed to an open air life will try to take up work on farms. This will counterbalance it a little, but I think on the whole there will be a shortage as regards men, and still more perhaps as regards women.

2911. That will tend to put up the wage, will it not?—Yes, certainly; if the supply of labour falls, that will tend to raise the actual wage.

2912. *Mr. Lennard*: Have you any special rates for Sunday work fixed in Scotland? An attempt was made by the North West Highlands Committee to fix a rate for Sunday work. The Central Committee disallowed it on the ground that no one would work on a Sunday in Scotland whatever rate you fixed. We thought there was no need to have a separate rate for Sunday work, so far as the Central Committee were concerned.

2913. Would overtime rates apply to Sunday work?—Yes. Committees differ in their opinions with regard to these things. The Central Committee, I think I may say, are of opinion that there should be

one overtime rate applicable both to weekdays and Sundays, and that that should be one and a half times the ordinary rate—no difference between overtime either on weekdays or Sundays.

2914. You spoke just now about holidays. I should very much like to hear a little more about the holidays. How do the holidays affect the minimum rates?—In one case (in Perthshire) we decided, on the recommendation of the District Committee, that the minimum rates were to be reckoned as applying to an average for the year of 54 hours per week, exclusive of meal times and stable work, and allowing for 21 full days or 42 half-days' holidays in each year, besides New Year's Day and Hiring Fair days.

2915. They must be deducted from the 54 hours?—Yes.

2916. They are not to be counted as working time in the 54 hours?—If they are not given, they will be practically charged for as overtime—if they are actually worked.

2917. What is the custom with regard to the arrangement of holidays? Do they usually have them on the same day in the different districts?—No; there is one holiday that affects a whole district—that is to say the annual Hiring Fair day. In the case of yearly engagements, or if people are engaged on six-monthly terms, they get two Hiring Fair days.

2918. Everybody stops work on the Hiring Fair days and goes into the town whether he wants to be hired or not, to meet his fellows and have some amusement, and, of course, New Year's Day in Scotland is a general holiday. The custom before the war has generally been no fixed number of days on leave without pay, but everybody says there was never any difficulty about that—that if a man had any reasonable ground for asking to be away for a day or two to go to a wedding or a funeral, or something of that sort, unless it was during a very busy time, the farmer always gave him leave. It was give and take and there was never any trouble about holidays. Now it is fixed that there shall be these 42 half-day holidays or 21 full day holidays in the year. It is worked out to mean that for 42 weeks in the year they will have a half-holiday on Saturday, and work ten hours a day for the whole week in seed time and harvest, and less in winter.

2919. There is no arrangement with the Wages Board that the 42 half-holidays shall fall on Saturdays. What I am thinking of is holidays being scattered over the week and distributed among the men. Holidays on different days in the case of different men are of very much less value to the men than if the holiday fell on the same day, or at any rate so far as possible on the same day. I mean such things as games and so on become possible for the younger men if the holidays are more or less on the one day?—Quite so.

2920. In practice the tendency is for the holiday to fall upon a Saturday?—In Scotland certainly.

2921. But you have made no provision that the holiday shall fall upon the Saturday?—No, that is left to the farmers.

2922. *Mr. Robbins*: Do you take a gloomy or an optimistic view of the future economic position of the agricultural industry?—I am afraid there is going to be a very difficult time in agriculture both for farmers and labourers.

2923. From your experience could you give the Commission any estimate as to the probable prices that will rule for cereals?—I have made a very rough estimate; it is a mere guess. I could put in a paper on the subject—in fact, I have done so.

2924. *Mr. Smith*: You told us about the rates that had been fixed by your Committees in Scotland. Would those rates in the respective districts represent an advance on what was previously paid?—An advance on pre-war rates certainly.

2925. Would they represent an advance on wages that were being paid at the time they were fixed?—No, hardly anywhere.

2926. The 42s. would not represent an advance?—No. When we fixed the minimum wage at 42s. the average actual wage of the ordinary ploughman in that area was really 50s. or rather more.

2927. You have told us that wages go up to as high as 60s.?—At present, yes; I should say very few are getting as much as 60s.

2928. According to a question put by Mr. Batchelor it might be assumed that in some cases they are actually higher. I think he stated that an 80s. cash wage for six months was being paid with perquisites in addition?—I have heard a rumour as to those cases, but I should think they are very few.

2929. But they do exist?—I suppose so, as the papers say so.

2930. Could you tell us what basis you take for valuing the perquisites. You told us what basis you took for the rent, that is the valuation roll, but what basis did you take for the meal and potatoes in determining the value?—We have drawn up the general principles in this paper—a copy of which I shall put in. I can tell you roughly from memory what we said about meal.

2931. Do you take the retail or the wholesale price?—The wholesale price.

2932. So that those wages in actual value would be worth more than appear upon the surface—especially if he sells any of his meal?—Yes, if the man sold his meal retail, but he does not sell much; he and his family consume it.

2933. It is correct to say that wages in Scotland are, on the whole, considerably more than the rates fixed by the Board or the Committees?—Certainly.

2934. Automatically, as an ordinary arrangement between employer and employees, do they still have a tendency to rise having regard to this latest information?—I should say so; as far as I can learn they have.

2935. Could you tell us whether anything has occurred to suggest to your mind that the industry as such is being harmed by these wages rising in that way?—Not so far, because there has been a great demand for labour even at those high rates. The supply has been small, and the farmers are still getting very high prices for their cereals and cattle, and so forth.

2936. You know of no cases where it can be suggested that the industry is being harmed by reason of the high rate of wages now being paid?—No; I should think there are very few such cases.

2937. I suppose the fact that they are mutually arranged between employers and workmen is evidence that the industry can reasonably bear them?—No, not necessarily. A man may be compelled to pay higher wages than the industry can bear—to get his harvest reaped for instance—but I do not think there are many such cases, as a matter of fact. I could well imagine a farmer paying a rate of wages more than his farm could reasonably stand in order to get his corn reaped.

2938. It is the permanent hands who have also had their wages raised considerably—it is not only the extra hands?—That is so.

2939. That is the ordinary arrangement which has been come to between employer and workmen?—Yes, because of demand and supply.

2940. No suggestion has come to your notice to the effect that the industry is not able to carry these increased wages?—So long as present circumstances continue.

2941. You know of no instance where such a thing has occurred?—No; I know of no instance so far.

2942. Did the 60 hours that you referred to cover the full hours of the ploughman, or did he have to put any extra hours in beyond that point?—In many parts of Scotland besides the 60 hours in the field he had about 7 hours a week in the stable on duty.

2943. So that it is correct to say apart from a substantial increase in wages there has also been a reduction in working hours?—There has been in the last 3 months. In consequence of those conferences that they have been having there has been a considerable reduction in hours in many parts of the country, but not all over.

2944. And those changes have not had any adverse effect on the industry?—Not so far.

2945. *Mr. Walker*: Can you tell the Commission why you do not accept the same principle in Scotland in fixing rates as we do in England. You are conversant I take it up to a point with our rates here

in England, which are practical rates. Why do you not adopt the same principle in Scotland?—Perhaps it is because of the more logical character of the Scotch. We were told in the Act to fix a *minimum* rate.

2945A. I am not going to say that I disagree with you. In dealing with the question of hours—I know you have dealt with them—why did you object to the fixing of hours at the inception of those Committees?—I personally?.

2945B. Yes, or the Committees?—Practically all through the farmers have wished not to have any definite number of hours fixed. They wanted to have the minimum wage reckoned on the customary hours whatever they were. They said "Alter the rates of wages if you like, but do not touch our hours." All the farmers objected to that at first. In certain cases the workers on the District Committees wished to have a definite number of hours fixed—in fact I may say the workers' representatives even on the Central Committee all through wished to have a definite number of hours fixed. In two districts the Chairman of the District Committee fixed his minimum rate of wages on a definite number of hours, following the English example—54 hours in summer at that time and 48 in winter. That came before the Central Committee. We had discretion to disallow it. There was a great discussion about it, and at that time during the war I gave my vote against a definite number of hours on the ground, as I have already explained, that I thought it might have the effect of reducing the actual amount of labour done in the field, and that nothing of that kind should be done during the war.

2946. Could you tell the Commission where you got the idea from originally as regards customary hours—you have said "so far as customary hours are concerned."?—Farmers have always talked about customary hours.

2947. I was not aware that there were any customary hours; that is why I am asking the question?—The farmers on these Committees have put it as the hours customarily worked in the district.

2948. Could you define what "customary hours" are?—They vary very much between one district and another, and even sometimes between one farm and another.

2949. Should I be correct in saying that in one parish in Scotland there might be several different customs so far as the number of hours worked are concerned?—Yes, there might be two or three perhaps in one parish.

2950. So that really in practice "customary hours" cannot be defined?—It is difficult to define them.

2951. You really agreed, therefore, to something that could not be defined?—My idea then was that the chief object of Part 2 of the Act was to fix wages and not to fix hours; and that it was quite possible to fix minimum rates of wages and leave the question of hours untouched for the time being, and that that was the best thing to do during the war.

2952. Can you tell us how you could fix a minimum rate without fixing hours?—It is quite possible, is it not? A minimum rate means that whatever the number of hours worked during the week may be, the man must get 40s. a week or whatever it is, whether he works 50 hours or 10.

2953. The difficulty is that if an employer failed to comply with it a prosecution could not follow?—Surely, if you lay down that a man must get 40s. a week whatever number of hours he works?

2954. If the hours are not fixed he might have to work 18 hours a day?—Then the farmer could not be fined so long as he paid the man 40s. a week.

2955. Do you not think you could have fixed a standard number of hours and then fixed an overtime rate over that standard number of hours. Have you any overtime rates at all?—Yes. That is what we are doing now. We are fixing a certain number of hours on which the minimum rate has to be reckoned, and overtime after that number of hours at the rate of time and a half for any time worked over that number of hours.

2956. When the Committees were first set up did you fix overtime rates?—No, we left that to be disposed of later on.

2957. You did not anticipate overtime at all?—Yes. If a custom can be proved and a man works more than the customary hours then he is entitled to overtime rates for the time worked over those hours.

2958. What rates did you fix for overtime?—Latterly?

2959. No, at the beginning?—In Forfar and Perth the District Committees themselves fixed the overtime rates which I have mentioned here. They were less than time and a half.

2960. If you put the table in it will be quite sufficient?—Yes, it is among these papers here.

2961. With regard to your statement about the standard of comfort, I happen to be a Lowlander, and I certainly am not going to be satisfied, and never have been satisfied, with a lower standard of comfort than the Perthshire worker or the Forfarshire worker.

2962. Why do you distinguish between the two classes of workers geographically from the point of view of standard of comfort?—Because it is an actual fact that there is a great difference between the standard of comfort of the workers in different parts.

2963. Is that really your opinion?—Yes, that is my opinion.

2964. I want to make it clear that we in the Lowlands demand an equal standard of comfort with those in Perthshire and Forfarshire?—In the Lothians, do you say?

2965. Let us take the county of Lanarkshire. Do you think that the workers in Lanarkshire demand a lower standard of comfort than the workers in Perthshire or Forfarshire?—No; I should say they were equal from that point of view—I think they are about equal.

2966. I thought you said that in answer to a previous question?—No, I put them upon a level, but when you go to the Highlands it is a different matter.

2967. Do you think that the workers in Peeblesshire, for example, demand a lower standard of comfort than the workers in Forfarshire and Perthshire?—Yes, I think they do, because they are further away from the mines and the great industries and shipping, and other things, at which workers in other districts can get a higher cash wage.

2968. That is your opinion?—Yes; I think so. As a matter of fact, wages are higher where there are other industries in competition with agriculture, and the standard of comfort is correspondingly higher.

2969. Can you adduce any other evidence apart from your personal opinion that that is so?—It follows, does it not, from the fact that the wages as a rule, are higher in those areas than they are in the more rural and more distant areas.

2970. Let us come down to the borders of England?—I think the wages of a border ploughman are lower than those of a Lanarkshire ploughman.

2971. Are they?—Yes.

2972. Is that a fact?—As far as I know, that is so—at any rate, there is a considerable difference.

2973. Anyhow, it is your opinion that a Lowlander demands a lower standard of comfort than the men further north?—No. I say that the Lowland agricultural worker expects a much higher standard of comfort than the Highlander does, or has hitherto done for generations. The Lowlander has for a very long time had a much higher wage than the Highlander has been content with. I have been in India most of my life, and I have known millions of people there who are quite content with a standard of comfort represented by 4d. per day.

2974. All I can say is until I was well on in my nineteenth year I lived in Lanarkshire, and I know something about the conditions that prevail there. In reference to the question put to you by Mr. Dallas and your answer to it, if that is true, do you agree that if the Wages Committees went out of existence altogether in Scotland, they would never be missed so far as any benefit to the workers is concerned?—That is putting it rather too strong, because a certain number of men although I admit that it is a comparatively small number have received higher wages than they did before owing to

these minimum rates of wages that have been set up. They have had the effect in a very few cases of raising the man's actual wages, but not as regards the general run of agriculturists, because they have been able to secure considerably higher wages by private or collective bargaining. There are, however, as I say, some cases in which the minimum rate has had the effect of raising the man's actual wage.

(*The Witness withdrew.*)

FIFTH DAY.

TUESDAY, 19TH AUGUST, 1919.

PRESENT:

SIR WILLIAM BARCLAY PEAT (*Chairman*).

DR. C. M. DOUGLAS, C.B.
MR. G. G. REA, C.B.E.
MR. HENRY OVERMAN, O.B.E.
MR. A. W. ASHBY.
MR. A. BATCHELOR.
MR. H. S. CAUTLEY, K.C., M.P.
MR. GEORGE DALLAS.
MR. J. F. DUNCAN.
MR. W. EDWARDS.
MR. F. E. GREEN.
MR. J. M. HENDERSON.
MR. T. HENDERSON.
MR. T. PROSSER JONES.
MR. E. W. LANGFORD.
MR. R. V. LENNARD.
MR. GEORGE NICHOLLS.
MR. E. H. PARKER.
MR. R. R. ROBBINS.
MR. W. R. SMITH, M.P.
MR. R. B. WALKER.

Sir THOMAS H. MIDDLETON, K.B.E., C.B., Development Commissioner, called and examined.

The following statement was handed in as the witness's evidence-in-chief:—

2975. (1) In attempting a forecast of the future economic position of agriculture, it is, in the first place, desirable to make an estimate of the costs of production immediately before and immediately after the war.

2976. Before the war it was possible to estimate fairly closely the cost of production when the conditions were given. During the war I have, from time to time, estimated the cost of production by modifying pre-war estimates. In Appendices A and B I submit such recalculated figures for wheat and meat respectively.

2977. In the absence of a large number of accounts it is impossible either to prove or disprove the correctness of these estimates. Their chief value is that they are comparable. It is possible to assert with some confidence that if it cost 33s. 1d. per quarter to grow wheat on certain soils in 1913–14, it will cost 59s. 2d. per quarter in 1919–20, assuming the seasons to be equally good; and similarly that, if it cost 48s. 8d. per live cwt. to fatten a three-year-old steer in the winter of 1913–14, it will cost 133s. 3d. per cwt. next winter.

2978. It should be noted that in these estimates no change in the efficiency of labour is allowed for. If, as the result of shorter hours, or for any other reason, the output per man per day were either greater or less than before, then the cost of production would be correspondingly decreased or increased.

2979. (2) The average price of wheat was 33s. 4d. per 480 lbs., or 35s. per 504 lbs. in 1909–13, so that if my comparison is correct, a corresponding price in the next five years (assuming cost to remain constant) would be 62s. 6d. per 504 lbs.

Would this average price, without any guarantee, serve to maintain the 1909-14 area—say 1,800,000 acres in the United Kingdom?

2980. I think not, for with much higher costs the risks from bad seasons are increased. The chances are indeed that the area under wheat would decrease, but not largely, since a small reduction below 1,800,000 acres would eliminate the bulk of the inferior wheat land cultivated before the war. On the other hand it must be pointed out that, since much of the better wheat-producing land is very heavy, one or two wet seasons would immediately be followed by a sharp reduction in area.

2981. (3) Would a guarantee of some such figure as 60s. per 480 lbs. (63s. per 504 lbs.) maintain production at the 1909–13 level? In my opinion it would not only maintain, but substantially increase the area, provided that costs were stabilized; for with the guarantee farmers would speculate on the chances of higher prices, and there is much land in the country nearly as suitable for corn growing as the worst which was under corn immediately before the war.

2982. In round figures we had in England and Wales:—

In 1874, 3,500,000 acres wheat and 8,000,000 acres total corn.
In 1914, 1,800,000 acres wheat and 5,760,000 acres total corn.
In 1918, 2,550,000 acres wheat and 7,500,000 acres total corn.

2983. In 1918 great pressure was brought to bear on the farmer; he was actuated by patriotic motives; further, the spring months were very fine. On the other hand his labour difficulties were great. From the above figures and from the present outlook (given a guarantee of 60s.), I should be inclined to estimate that we might grow from about 2,000,000 to 2,200,000 acres of wheat and 6,500,000 to 6,700,000 acres of total corn annually in England and Wales during the next five years.

2984. (4) Past experience would seem to indicate that, even were prices to reach and remain at a level of 80s. per quarter, we would be unlikely to get the 1871-75 acreages of wheat and other corn crops. Under existing conditions, I am doubtful if a market price of 100s. per quarter would by itself secure 4,000,000 acres of wheat in England and Wales.

2985. (5) Taking next Appendix B, dealing with Meat Production, attention may be directed to the first page of the summary; this shows that the cost of producing meat has practically doubled. It should be noted that as the animals in question are bred and fed on the same farm there are no intermediate profits to be charged. Where animals pass from market to market, losing weight and incurring charges for transport, the cost of meat production might be considerably higher than that shown.

2986. (6) Attention may also be directed to the great differences in the cost of winter and summer feeding. In practice these differences are usually reduced by the fact that cattle are worth more per live cwt. in spring than in autumn; but the figures show that, relatively, grazing must have been much more profitable than winter fattening. There was evidence of this in the high prices paid for grass let by auction and in the prosperity of the rearers of Irish cattle.

2987. (7) These figures point straight to the peculiar conditions which in one sense have been the salvation, in another the curse, of British husbandry during the past half century. We possess a relatively large area of land equally suited for tillage or grazing: the comparative ease with which the change could be made saved many farmers from bankruptcy in the first half of the period. In 1917 and 1918, when every quarter of wheat we failed to grow increased the national danger, there was a race between the plough and the submarine, which, but for good luck, would have had a fatal ending for us; and now every quarter we fail to grow, though it probably adds to the bank balance of the farmer, certainly adds to the debit side of the nation's heavy account.

2988. (8) In England and Wales at the present time there are several millions of acres which in the interests of owners and occupiers should be under grass, and in the interests of the rest of the nation should be under other crops.

2989. (9) We have in fact not one agricultural industry but two—tillage farming and grass farming—in this country. If we take the 27,000,000 acres of cultivated land in England and Wales and deduct some 4 to 5 million acres, which for one reason or another would be tilled under any probable conditions that will arise in the near future, and some 7 to 9 million acres which would remain in grass, however tempting corn prices might be, there remain from 13 to 16 million acres to which the problem raised by these alternative industries applies.

2990. (10) So far as I can forecast the economic prospects of grass farming, I should class them as good on perhaps two thirds and fair on the remainder of the "intermediate" area of England and Wales. The country is likely to pay a price for its milk which will ensure, to the grass farmer at least, a satisfactory return; and even were the prices of cattle and sheep to fall below probable rates, grass land could be managed so as to yield certain profits. The outlay in wages is small, and much grass land could be cheaply improved by manuring. Grass land generally is worse farmed than tillage land, and the efforts now being made by the Agricultural Education Committees in every county are more likely to result in improvements on grass than on tillage land.

2991. (11) Tillage farming represents a very different set of conditions: a heavy outlay of capital, a high wages bill, more risks from weather, very uncertain prices, much harder work. I would class the prospects as fair only on one-fourth of the "intermediate" area, and as very doubtful on the bulk of the remainder.

2992. (12) Looked at from the national standpoint, the first essential is that the industry should be in a thriving state. Better prosperous grass farming than bankrupt tillage.

2993. Bankrupt tillage is extraordinarily wasteful in our climate. Reasonable production is only secured in exceptionally good seasons, without capital for buildings, drainage implements, etc., labour is spent in vain.

2994. (13) But provided that the industry pays its way there is no comparison from the national standpoint between tillage and grass farming. The gross value of the produce is more than doubled, the food provided is increased four- to eight-fold, and the wages fund is increased in a still higher degree.

2995. (14) Farming capital. In comparison with the gross value of the produce, farming capital is very small. It is a fortunate thing for the nation when tillage farmers have a run of good years and make high profits. It is also a good thing for the nation that farmers as a class are close-fisted and stick to their profits. In reality these profits are not income in the ordinary sense of the word. The favourable years must be evened out with the unfavourable. Over a long life the profits are usually small as compared with the profits made by men of similar capacity in other industries.

2996. Much of the farmer's profit goes into the improvement of his land. Improvers of land, whether landlords or tenants, always benefit the community. Very frequently they fail to benefit either themselves or their heirs.

2997. (15) I think that the economic position of agriculture would be improved by the development of small farms up to, say, 100 acres at the expense of holdings between 100 and 300 acres. The size of the holding should be adapted to the area which can be worked by one pair of horses. This holding might be 30 or it might be 100 acres (or even more) according to the character of the land. It is not usually lack of knowledge or lack of industry that cripples small farmers, but the fact that the holdings are not of an economic size; they are too small, that is, to employ a pair of horses fully. High wages are likely to increase the demand for small holdings. Men of the best type will be able to save money, and a proportion of them will prefer to farm for themselves rather than to work for wages.

2998. (16) Assuming that about one man in ten employed in agriculture in England and Wales looked forward to settling on the land, that his children began life like himself as farm workers, and that he occupied his holding for about half the time he worked as a labourer, some 40,000 additional holdings averaging 50 acres would be wanted by farm labourers. To get this number and to provide similar small holdings for the men occupying the larger farms to be broken up it would be necessary to reduce the total number of holdings between 100 and 300 acres from 70,000 to about 55,000. As compared with 1914, and apart from changes that will be made under the Land Settlement Act, this suggested provision for farm labourers would affect the distribution of holdings as follows:—

2999.

	Thousands of Holdings in England & Wales.	
	1914.	As suggested.
5–20 acres	122	122
20–100 acres	137	192
100–300 acres	69	55
300 and over acres ...	14	14

3000. (17) In view of the large area of the land of England and Wales which belongs to the class above referred to as "intermediate," of the much greater value of tillage land than grass to the nation, and of

the financial risks incurred in tillage farming, the Commission may wish to consider whether anything (apart from guaranteeing corn prices) could be done to alter the economic prospect of tillage farming as compared with grass farming.

3001. (18) Various methods of altering the balance so as to improve the relative prospects of tillage farming might be suggested, *e.g.*, (*a*) The principle of abatements in Income Tax now made in certain cases for dependents might be extended to land. If an occupier of land were allowed to deduct from the gross rent a proportion corresponding to the whole or part of the actual area under the plough there would be a great incentive to tillage on all large holdings, *e.g.*, a 400-acre farm, half in tillage, rented at £600 would now be assessed for Income Tax under Schedule B at £1,200 (less the value of cottages). If a proportion of the rent equal to the whole of the tillage land might be deducted, the assessable value would be £600; and if a proportion equal to two-thirds of the tillage, £800.

3002. Similarly, in electing to be assessed under Schedule D, an abatement might be allowed in respect of tillage land.

3003. (*b*) If national necessity calls for heavier taxation, and the agricultural industry has to bear its share, the principle of "earned" and "unearned" Income Tax might be applied to tillage land and grass respectively.

3004. (*c*) If changes are made in Agricultural Rating, there might be a similar discrimination in favour of tillage.

3005. (*d*) These principles should be extended to cover the case of the landowner, so that his taxation on "used" tillage land should be less than on "unused" grass.

Properly applied, the methods suggested under (*c*) and (*d*) would serve as a stimulus to tillage on the smaller farms of which the occupiers might not be affected by Income Tax.

To prevent any administrative difficulties which might arise if discrimination were made in favour of "arable" land, I suggest that "grass" might include temporary grass and clover, so that abatements would be on crops other than grass, clover, or "seeds."

3006. (19) I put forward these suggestions (not recommendations) for the consideration of the Commission because:—

(1) In my opinion it is not equitable that the farmer, who by his system of husbandry provides a large fund for wages and a large supply of food, who substantially assists the nation's balance of trade, and who, in doing so, has admittedly to incur considerable risks, should be taxed at the same rate as the farmer who adopts a system equally or more advantageous to himself, but of far less value to the community.

(2) I think it improbable that any guarantee of prices likely to be obtained by the farmer would in itself secure that extension of our tillage area which is desirable in the national interests.

3007. (20) The principle of "abatement" might be applied to certain other very desirable agricultural operations which, if popular, would certainly add greatly to the national wealth, though they might fail in a considerable percentage of cases to benefit the particular individual executing them. I have in view Drainage and Liming. An abatement from the gross assessable value of a sum equal to twice the actual expenditure would do much to stimulate these practices. The relief should be given to owners and occupiers and in respect of all agricultural land.

[*This concludes the evidence-in-chief.*]

3008. *Chairman*: You have been kind enough to send us certain statements. Will you allow me to put them in as evidence without reading them?—I think it might save time if we went through them paragraph by paragraph.

3009. If you will allow me to put them in at the moment, I will give you an opportunity of going through them paragraph by paragraph if, after the examination has taken place, you find it necessary to do so.

Mr. Smith: Might I suggest, with respect, that, as it has been suggested, we might elaborate just shortly one or two of these paragraphs; it might save time in the end. We have had very little time to examine this *précis*. We were very busy when we received it.

3010. *Chairman*: If you wish it, certainly. Sir Thomas, would you kindly do as you suggest—elaborate these memoranda as you think well?—In the first place, I have endeavoured to make an estimate of the pre-war cost of growing wheat and producing meat, comparing that with the cost immediately after the war. I recognise that estimates of this sort are very much less desirable than an analysis of, say, 1,000 farm accounts. But I think that they are probably as reliable as the examination of a dozen or even fifty farm accounts would be, because one's experience in dealing with farming figures is this, that there is a very wide variation in cost on individual farms, and that in order to get anything like an average figure one would have to examine the working of a great many farms. I think, therefore, that this method may be defended as one which is in effect an attempt to put into figures the opinions one forms from the prices and other factors which one has got to take into account in estimating costs of production.

I will take, first of all, the case of wheat production. The detailed estimate for the cost of wheat production is in Appendix A. I shall not go through details of the estimate. I shall be ready to answer any questions that may be put on these details; but I bring out from Appendix A that, under the conditions assumed, which are those of the Eastern Counties, a strong loam soil, and a crop of wheat after mangolds, the probable cost of growing before the war was £7 9s. per acre. I have taken the probable yield at 4½ quarters on land of that description, and I bring out a net cost per quarter of 33s. 1d. In examining that estimate the criticism that occurs to myself is that under the conditions supposed the crop would probably be nearer 38 bushels than 36 per acre; and therefore my cost is a little high on that ground. But assuming the same conditions after the war, the cost of the same crop would be increased to 59s. 2d. per quarter. The selling price in the 5 years before the war was 33s. 4d. per 480 lbs., or 35s. per 504 lbs. So that if my comparison is correct, a corresponding price in the next 5 years, assuming the cost to remain the same, would be something like 62s. 6d. per quarter of 504 lbs. Then I put this question: Would this average price without any guarantee suffice to maintain the 1909-14 area of wheat, say 1,800,000 acres, in the United Kingdom; and my answer is, No. But I do not think that the reduction, assuming that to be the average price and assuming that there were no guarantee, would be substantial unless we happened in the next 5 years to meet with two wet seasons in succession. In that case we would have a very substantial reduction in area as compared with the pre-war period.

Then I ask: Would a guarantee of some such figure as 60s. per 480 lbs. maintain production at the 1909-13 level? In my opinion it would, and would increase the production of wheat substantially. I base my opinion on the figures which I have set out further down in the paragraph, figures which point to the fact that there is a very large area of land at present in the United Kingdom which may be described as on the margin of wheat cultivation. A little improvement would bring in a very substantial area, and a small fall would reduce it. I venture to make an estimate that if we had this guarantee, we should grow in England and Wales between 2,200,000 and 2,500,000 acres of wheat, and from 6,500,000 to 6,700,000 acres of total corn. My view is that even if market prices were to reach and to remain for some time at a level of 80s. per quarter, we should be unlikely to get back to the 1871-75 acreages of wheat and other corn crops; that is to say, back to a level of 3,500,000 acres of wheat and 8,000,000 acres of total

corn. My reason for that is this, that after we pass about the 7,000,000 acres limit for total corn, we begin to encroach upon land which is less suitable for corn production, and a relatively rapid increase in the price would be necessary to bring that land into cultivation. Under existing conditions I am doubtful, if even a market price of 100s. per quarter ruled for the next 5 years, that we should get to 4,000,000 acres of wheat in England and Wales.

I now turn to Appendix B, dealing with Meat Production. First a word as to the prices used in estimating the cost of meat production. We were quite familiar in the years before the war, with making estimates of the cost of meat production, allowing what one might describe as conventional figures for the crops grown on the farm; and I have followed the same procedure in estimating the cost of meat production in the years succeeding the war. The figures which I have taken for the pre-war period in the particular case I have assumed in Appendix B are as follows: I have supposed that roots could be grown for 6s. 8d. per ton, oat straw 30s., meadow hay 50s., seeds hay 60s. per ton. Before the war, linseed cake, after deducting manurial value, cost £5 10s. per ton; Egyptian cotton cake cost £3 15s. In the post-war period, that is to say, for this coming year, I should explain to farmers present that in taking the figure of 15s. for roots and of 80s. for meadow hay, I have not actually taken the crops of the coming year. These crops are about two-thirds, or less than two-thirds, of the average crops; and I thought that as I was attempting to make an estimate for something like a 5-year period, it would be undesirable to take this abnormal crop into account. My figures, therefore, refer to the post-war cost of an average crop of hay or an average crop of roots. With regard to linseed cake I have been obliged to take the figure which we presume will rule during next winter, namely, £25 10s. less for manurial value £3 10s., giving a net cost of £22; and in the case of Egyptian cotton cake a net cost of £17 10s. per ton.

Now passing over the details of the estimate, which I shall be glad to answer questions upon, I draw attention to the summary on the fifth page of the Appendix —Summary I. I estimate that in the year 1913-14 two-year-old cattle sold at about 23 months old would have incurred a cost of £18 in production. The corresponding figure for next winter, apart from the fact that the hay and root crops are abnormal, would be £36 4s. 6d. In other words, the cost per cwt. before the war was about 36s. 10d. The cost per cwt. at the present time is about 73s. 10d. If, as is more usual, the cattle were kept on for another 10 or 11 months, and slaughter at, say, 34 months old, the pre-war cost of producing a three-year-old would be about £25; post-war cost, £47 to £48; cost per cwt., 40s. and 36s. 7d. respectively.

I have prepared a second summary, with the object of showing on which periods of the animal's existence the heavy cost has fallen. All who are accustomed to rear and keep cattle know that summer increase, provided that you are rearing the animal yourself, is purchased at much less cost than winter increase. I have analysed, therefore, the difference in cost between summer and winter increase on the next page. We will take the cattle slaughtered at 34 months old. The animal as a calf cost before the war about 33s. 7d. per cwt. to produce; now 50s. 8d. The next increase which was got in the winter months cost before the war about 53s., and costs at the present time about 103s., and so on. The last summer's grazing cost before the war about 28s.; it now costs 43s. The last winter's feeding (this is the important point) cost before the war about 48s., and costs now, assuming that the hay and root crops are normal, about 133s. per live cwt. So that, relatively speaking, there has been a much higher increase in the cost of making meat during the winter than there has been in the cost of growing wheat, according to my figures, and that high cost is mainly due to the very high cost of feeding-stuffs. The one point that I wish to direct attention to here, apart from the alteration in cost, is the very great increase in the cost of winter feeding as compared with the cost of grass feeding.

I do not know whether, before I proceed, you would care to put questions on these two sets of estimates. We are dealing now with estimates of cost of production, and it might be convenient for members who are present to put questions on these estimates before we proceed.

3011. *The Chairman*: My view is, I think, that you should complete your statement?—Very well. These figures, that is to say, the figures which I have read relating to the cost of rearing cattle in summer and in winter, point straight to the peculiar conditions which in one sense have been the salvation, and in another the curse, of British husbandry during the past half century. We possess a relatively large area of land equally suited for tillage or for grazing. The comparative ease with which the change could be made saved many farmers from bankruptcy in the first half of the last 50 years—the first half of the period, and it was the ease with which that change was made, and the fact that most of our land had gone down to grass that constituted the special dangers with which we were faced in the years 1917 and 1918, a danger which it was the function of the Food Production Department to attempt to combat.

I submit that you have got to consider not only one agricultural industry, but two agricultural industries, for there are two very distinct agricultural industries in the country, namely, tillage farming and grass farming. If we take the 27,000,000 acres of England and Wales, and deduct from them some 4,000,000 to 5,000,000 acres, which for one reason or another would be tilled under any probable conditions that will arise in the near future, and also some 7,000,000 to 9,000,000 acres which would remain in grass however tempting the corn prices might be, there remain from 13,000,000 to 16,000,000 acres in England and Wales to which this particular problem of the alternate industries applies. We have two industries possible on from 13,000,000 to 16,000,000 acres of land.

So far as one can forecast the economic prospects of grass farming, I should class them as good on perhaps two-thirds, and fair on the remainder of the intermediate area. By the intermediate area I mean the 13,000,000 to 16,000,000 acres of England and Wales. The country is likely to pay a price for its milk which will ensure, to the grass farmer at least, a satisfactory return; and even were the prices of cattle and sheep to fall below the probable rates in the near future, grass land could be managed so as to yield certain profits. The outlay in wages is small, and much grass land could be cheaply improved by manuring. Grass land generally is worse farmed than tillage land, and the efforts now being made by the Agriculture Education Committees in every county are more likely to result in improvements on grass land than on tillage land, because the scope for improvement is greater and the methods of improvement are more direct and simple. Tillage farming represents a very different set of conditions: a heavy outlay of capital, a high wages bill, more risks from weather, very uncertain prices and much harder work. Apart from any State intervention, I would class the prospects of the tillage farmer in the immediate future as being fair upon one-fourth only of the "intermediate" area and as being very doubtful on the bulk of the remainder of the "intermediate" area.

Now looking at the subject from the national standpoint, the first essential is that the agricultural industry should be in a thriving state. It is better to have prospered as grass farming than to have bankrupt tillage land. Bankrupt tillage land is extraordinarily wasteful in our climate. Reasonable production can only be secured in exceptionally good seasons on land which I describe as bankrupt; and the result is that there is a great waste in the labour expended upon the cultivation. Provided that the industry pays its way, there is no comparison from the national standpoint between tillage and grass farming. The gross value of the produce is more than doubled in tillage farming, the food provided is increased four-fold to eight-fold, and the wages fund is

increased in about the same degree. I have not actually estimated it for different conditions, but it is in about the same degree as the increase of food production.

Now, Sir, I want to draw your attention to a point in connection with farming capital. In comparison with the gross value of the crops which it produces, the capital at the disposal of the tillage farmer is always very small indeed; and thus, if you have two or three bad seasons in a rotation of crops, you may have a sum equal to the whole capital value of the farm disappear because of the effect of these seasons on gross production. I conclude, therefore, that it is a fortunate thing for the nation when tillage farmers have a run of good years and make high profits. I base my belief, not regarding the subject from the farmer's own point of view, but knowing what I do of the character and tendencies of the farmer. The farmer is close-fisted, and it is a good thing for the nation that he is. When he makes profits he does not squander them. As a rule, these profits go into the improvement of his farm. A very great many of our land improvers have improved their land at the expense of themselves and of their heirs; but it is undoubted, I think, that they have done so in the national interest, and that the nation has benefited thereby. In considering the profits from farming, it is necessary to even out the profits over a long life; and if you do so and go back to the agricultural history of the past 50 years, or, if you like, the past 100 years, you will find that few farmers die rich. If a man maintains his holding free from debt and has made a living on his land, I do not think that the average man has done more. There are, of course, many capable farmers who have made fortunes out of farming. But we must now think of the average of the 200,000 farmers or thereabouts who hold land in holdings of from 20 to 30 acres and upwards.

Now I want to say a word for the development of small farms. I think the economic position of agriculture would be improved by the development of small farms up to, say, 100 acres in area at the expense of intermediate holdings from 100 to 300 acres in size. The size of the holding should be adapted to the area which can be worked by one pair of horses. That, of course, is obvious. One hears a great deal about the non-productive character of the small holdings; but I think if that non-productive character is traced to its cause you will generally find that the cause is that the holding is not an economic unit.

It is a much more difficult thing to make a small holding an economic unit than it is in the case of a big holding. You can lay down a little more grass or plough a little extra grass on a 500 to 600 acre holding so as to employ hands fully. But a small farmer when he enters upon the land has got to take what he gets; there is no scope for change in the farm, and it is that which handicaps so many of our small farmers in this country. Then I think it is a matter of observation that very many of the smaller farmers do not occupy, to say the least, the best land in the districts in which they are farming.

So far as I can forecast the future, it seems to me that the higher wages now ruling are likely to increase the demand for small holdings. Some, of course, take the opposite view and point out that in the past the labourers in those counties which have paid low wages have on the whole demanded small holdings to a greater extent than those in counties paying higher rates of wages. I am not, however, thinking so much of the small market garden holding as I am of the small farmer; and it seems to me that for the enterprising agricultural labourer who will be able in the future, especially if several members of his family are working with him on the land, to save a considerable sum from his earnings a small farm of his own is likely to prove attractive; and personally I think that it would be in the interests of the economic development of agriculture that provision should be made for the supply of holdings for men of the type I have in view.

With a view to giving some precision to the argument I have developed, I have made an estimate that if one man in ten employed in agriculture in England and Wales looked forward to settling on his land for one-third of his life-time, and if his children, like himself, began work as farm workers, some 40,000 additional holdings would be required, and in order to provide for these and also to supply holdings for the men whose farms were broken up in order to make small farms, it would be necessary to increase the total number of our holdings by something like 55,000. I have shown in the summary of my evidence how these holdings would be distributed as compared with the holdings in England and Wales in 1914. The difference is, that one would increase the number of holdings between 20 and 100 acres from 137,000 to about 192,000. One would decrease the number between 100 and 300 acres from 69,000 to something like 55,000; while the holdings over 300 acres, I think, should remain as they are, because for economic working there is no doubt that the holding of over 300 acres is a more profitable one than the average holding between 100 and 300 acres.

Now, Sir, I proceed to questions of policy, and possibly I am travelling outside the sphere which you have mapped out for the consideration of this Commission. I ask this question: In view of the large area of land of England and Wales which belongs to the class referred to as "intermediate," of the much greater value of tillage land than grass land to the nation, and of the financial risks incurred in tillage farming, the Commission may wish to consider whether anything (apart from guaranteeing corn prices) could be done to alter the economic prospect of tillage farming as compared with grass farming. I have put forward in the remaining paragraphs of my *précis* a few crude suggestions. I put them forward with some hesitation as they are outside my own particular experience; but it does seem to me that there are various methods of altering the balance which might be suggested.

First, I suggest that the principle of abatement in the Income Tax now made in certain cases for dependents might be extended to land. If an occupier of land were allowed to deduct from the gross rent a proportion corresponding to the whole or part of the actual area under the plough, there would be a great incentive to tillage on all large holdings. If national necessity calls for heavier taxation, and the agricultural industry has to bear its share, the principle of "earned" and "unearned" Income Tax might be applied to tillage land and grass land respectively. That is to say, if additional taxation is to be imposed, I would first place the taxation on the grass land which I regard as parallel to the case of the "unearned" income, although it is admitted that the income from grass land is "earned." The amount of work, the amount of risk that is necessary to earn an income from tillage land is, however, so much greater than the risk and the labour required to earn an income from grass land that I think there is room for discrimination. If changes are made in Agricultural Rating, there might be a similar discrimination in favour of tillage. I would like to extend these principles to cover the case of the landowner, so that his taxation on "used" tillage land should be less than on relatively "unused" grass land. Properly applied, such methods of assessment as the last two would serve as a stimulus to tillage on the smaller farms of which the occupiers might not be affected by Income Tax. To prevent any administrative difficulties, I suggest that "Grass" might include temporary grass and clover, so that abatements would be on crops other than grass, clover, or seeds.

I put forward those suggestions for consideration for two reasons: (1) In my opinion, it is not equitable that the farmer who by his system of husbandry provides a large wages fund and a large supply of food, who substantially assists the nation's balance of trade, and who, in doing so, has admittedly to incur considerable risks, should be taxed at the same rate as a farmer who adopts a system equally or more advantageous to himself, but of far less value to the community. (2) I think it improbable that any guarantee of prices likely to be obtained by the farmer would in itself secure that extension of our tillage area which is desirable in the national interests.

Then I should like to see the principle of "abatements" applied to certain other very desirable agricultural operations which, if popular, would certainly add greatly to the national wealth, though they might fail in a considerable percentage of cases to benefit the particular individual executing them. I have in view drainage and liming. These I regard as the fundamental methods of improving tillage farming in this country, and are especially wanted at the present time. An abatement from the gross assessable value of a sum equal to twice the actual expenditure would do much to stimulate these practices. The relief should be given to owners and occupiers and in respect of all agricultural land. The point about these two practices is, that there is no question that in certain cases they fail to benefit; they are expensive, and the farmer has got out of the habit of liming. The landowner is doing less draining, for good reasons, than he did in the past. The cost of these processes has gone up enormously as the result of the war. It is certainly desirable that they should be stimulated in some way; and I think that by this, or some other method, these two fundamental methods of land improvement should be singled out for development by the State. There is no question that, if extensively and widely carried out, the nation would largely benefit from any expenditure which it might have to undertake.

These are the points to which I want to draw your attention. I would like to say before I close that you will notice that I am a very strong advocate of tillage in the national interest as compared with grazing. I have not time to develop the arguments here now, but I have developed them in a popular way in a pamphlet called "Food Production from the Consumer's Standpoint," which is published by the Ministry of Reconstruction, and if members of the Commission are interested in knowing why it is that I advocate tillage so strongly, I would ask them to do me the honour of looking through, at any rate, the summary of that pamphlet.

Chairman: Thank you very much for your most interesting and instructive statement. The Secretaries will be asked to obtain copies of the book to which you refer for the information of the members of the Commission, and no doubt they will find it as interesting as you state it to be. I will now ask Mr. Smith to begin the questions.

3012. *Mr. Smith*: Do I understand the figures you have submitted to us this morning are not based on any actual balance sheets that you have seen?—No, they are not based on actual balance sheets. They are based on balance sheets of actual costs of production in a large number of cases before the war, and are brought up to date by repricing.

3013. Surely they must be based on something real?—I will tell you how the information was got. In the first place I have myself a pretty extensive knowledge of agricultural costs, and I consulted a great many men who were in a position to form estimates. I got them to send me estimates of the cost of producing wheat under various conditions; and from these estimates, criticising them in detail, I myself formed an estimate so that I might for my own guidance put into figures what my opinions were. I have varied that estimate by the simple process of repricing from time to time.

3014. Then you have no exact figures of costs based on actual experience in farms?—I have no figures in front of me of exact costs; and I do not think that these figures would be of much value to me unless I were able to average at least 100, the conditions are so variable.

3015. And therefore these are estimates of what the costs might be?—That is so.

3016. Do you know that in some businesses they take this as a basis, and rely on their economics effected in the working for a profit?—Yes, I know that.

3017. Therefore there might be economies effected and a net return given to the farmer within them?—The difficulty is that in those businesses to which the costs of production are applied the great majority of them are carried out under a roof. Farming is not carried out under a roof, and we cannot by resolving to harrow once less or roll once less in the season reduce our costs of production. We must average out what is probable on the land and under weather conditions which we must expect. That is a farmer's difficulty in applying costs of production to regulate his tillage.

3018. But would it be fair to assume that estimated cost would be on a basis that would leave them a margin, that they would rather have a tendency to be on a high figure than on a low?—None of those persons whom I consulted in framing this estimate, or at least it must have been very few, were interested in leaving a margin. They were interested by getting at the facts, and certainly that was my own intention. You will see that the margin I have left for the farmer in this particular case is a wage of 10s. a day for 300 days.

3019. You spoke of the necessity of rolling once or twice. Is it the case that there are occasions where the land is not rolled at all?—There may be, many cases.

3020. That they are sown and there is nothing more done to them until harvest?—I have never seen a field which was sown which had nothing more done to it. At least, if I have seen it, it has been seldom.

3021. You admit that is possible?—It is possible, but not probable.

3022. And in that fact there would be great economies on these costs?—You would not get the seed which you sowed; so the probability would be there would be bankruptcy.

3023. If I were to suggest to you that a harvest which has just been garnered from a field of that description produced 80 bushels of oats to the acre, what would you say to that?—I should say that it is surprising, but I must accept it.

3024. You have mentioned real bad seasons. What exactly do you mean by that?—We get really very bad seasons about three or four times in a century. We get seasons relatively bad, I should say, on an average, once in ten years. They generally come one or two together.

3025. But is not it a fact that you very rarely have a season which is bad for all crops?—That is so, very rarely.

3026. And that agriculture is an industry which compensates to some extent for some of the difficulties you have to contend with?—The difficulty is this, that generally if it is a bad season for one corn crop, it is bad for all the corn crops; and the farmer who is mainly a corn grower is hit in that way by the weather to a much greater extent than the farmer who is a mixed farmer. That is one of the strong arguments for mixed farming and for grass framing.

3027. You suggest to us that the average farmers do not make money. I think you stated generally that he finished up with as much capital as he commenced with?—Yes, and makes his living.

3028. Have you any further explanation to give of that fact, as to whether that circumstance could not be altered? You mention in paragraph 10 of your memorandum that grass land generally is worse farmed than tillage land, and I think you elaborate that by stating that the best use is not made of it?—That is so.

3029. Would not that also apply to tillage as well as grass?—That is so. There is no doubt whatever that there is a great deal of tillage land in this country which is badly farmed.

3030. And needs more scientific methods of farming?—Yes.

3031. Would you agree that a greater interest in the industry itself by the farmers might produce better results?—I entirely agree; but then I am dealing with the farmer as an average man, and you must admit that in any large number the average is not always equal to the best.

3032. Of course, all these things are comparative, but the average position is one that has a tendency towards inefficiency. You would not suggest that we should continue on that?—I would not like to say

that the average tendency is towards inefficiency. What it would be true to say would be that the average farmer is not highly efficient. That is a mere truism. The highly efficient man usually constitutes say from 5 to 10 per cent. of the whole population.

3033. But you rather suggest in your evidence that the industry or the results of it are not so good as they might be?—That is so.

3034. Therefore greater efficiency in farming would give better results?—I entirely agree.

3035. You state that the demand for small holdings will increase, but I think you also stated that the farms of 300 acres and over give better results?—I said that they gave a better result on the average in my opinion than the farm between 100 and 300; and I also said, I think, that large farms of, say, 500 acres presented greater opportunities for working as an economic unit than the small holdings which the small farmer generally had to take, because one was able to adapt the number of horses to the precise conditions of the farm.

3036. If we are to maintain this industry, and it seems to me that is your view, that national interests need the maintenance of agriculture on the tillage plan, is it your opinion that we ought to adopt a policy all round which would give us the best results?—Yes, certainly.

3037. And therefore that might mean having larger farms?—Yes, it might mean having large farms; but, in my opinion, and I tried to make it clear, it would be a mistake to concentrate entirely upon large farms.

3038. Would that depend on the districts and the character of the soil as to how far?—Yes.

3039. You state in the first page of your memorandum of evidence: "No change in the efficiency of labour is allowed for." Do you expect less efficiency of labour?—I have not had much evidence on the point, and if asked my opinion it is this, that at any rate when things settle down, we ought to expect labour to be quite as efficient as it was before. I have heard statements that labour is not as efficient as it was before the war. I have discussed this questions with two or three farmers and land owners within the last fortnight. They were unanimously of the opinion that it was not as efficient; but you will be glad to hear that those farmers were in Germany and not in this country. What I bring this out for is to show that there is a general feeling all over the combatant nations that the efficiency of labour is not what it was immediately before the war in any class of society.

3040. Do you think that view is the result of the difficulty of making proper comparisons; that during the last three years there has been so much of what we might call substituted labour and not the regular trained labour, which ultimately we shall have come back to?—There is a great deal in that.

3041. And that when we get back to the regularly trained labour there will be no reduction in efficiency?—No reduction in efficiency per hour. Of course one must refer to days and hours. I do not know whether you are touching upon that subject. It is barred, I think.

Chairman: We are not allowed to recommend any period of hours for agricultural labour, but we are allowed to discuss it in relation to the costs of production.

3042. *Mr. Smith*: You state in paragraph 14: "Much of the farmer's profit is in the improvement of his land"?—Yes, that is so.

3043. Have you any idea as to whether the farmer could have some better guarantee in that respect? Have you any idea as to how far a longer guaranteed tenancy might help him in that respect?—What I was thinking of was this, that in the course of a lifetime he and his successors, even if they continued in the holding, would probably not withdraw the full value in many cases of the money spent in improvements, because the tendency of most farmers is to treat their land, when they have money, as the hobby on which they spend their money. They improve their land and their stock.

3044. You would agree it is desirable that that form of tillage should be pursued?—Yes.

3045. Do you think it would be pursued more fully if the farmers had greater guarantees so far as tenures were concerned?—During the past two years there has been a great deal of restlessness because of the large sales of land which have taken place; but before that period of restlessness set in, I cannot say that good farming was prejudiced on the average by the cause to which you refer.

3046. Have you ever heard of "farming to leave"?—Yes.

3047. Is that a good system?—No, that is a very bad system; but it is not the highly skilled farmer who adopts that system. He rarely does it twice in the same county.

3048. With regard to the question of Income Tax, have you any idea how much your suggestion, if it were carried out, would amount to per acre?—What I take it on is on the assessable value. If you take the case I have illustrated here, supposing you had a 400 acre farm half in tillage and now rented at £600 it would be assessed under Schedule B. at £1,200, apart from the value of the cottages. If one were allowed to deduct a proportion equal to the whole of the area under tillage, you would reduce the assessable value of that farm to £600. That, of course, would mean a very substantial sum per acre.

3049. In regard to the future of farming, have you formed any opinion as to any other means of economies or any other facilities that might be provided for the industry which would help it, as, for instance, transport?—I have not gone into this general point, because I think the Commission are probably agreed that much could be done to benefit rural areas by increasing transport.

3050. You think transport could be improved with advantage?—Greatly improved. I referred just now to the fact that I had been discussing agricultural questions with German farmers recently. One of the things that struck me when there was the very fine system of electrical trams running everywhere through the area, these trams were used, not only for passenger traffic, but for goods traffic.

3051. And it provides a speedy method of reaching the market?—Yes.

3052. Which would be an advantage, I suppose, to perishable goods?—Yes.

3053. And also, by taking them closer to the farms, would reduce the cost of cartage of things to the farms?—Yes.

3054. *Mr. Robbins*: In your estimated cost you have taken, I gather, the difference in the actual cash wages paid in 1914 pre-war, and post-war?—Yes. I have stated in the Appendix the rates of wages I have taken.

3055. You have made no allowance for the number of hours in respect of which those payments are made?—Yes. What I have done is this. If you will turn to the detailed estimate of the cost of growing wheat and then turn to the next page, you will find notes on how the figures were got. I took the pre-war wage at 18s. a week of six days, and 30s. in harvest time. The post-war I took at 44s. for 5½ days; 8s. per day, and harvest 10s. per day.

3056. In that way you have made the allowance for the difference in the hours worked?—Yes, I have. I also go into the horse labour pretty fully, because that is one of the serious items.

3057–8. I think you say somewhere here that you think that a guarantee of 60s. for about five years ahead might possibly secure the maintenance of roughly the area under wheat last year?—Yes, roughly that.

3059. Is not there a tendency with a guarantee of 75s. to put the land down to grass?—Yes; but you must remember that that guarantee is a one year's guarantee.

3060. You account for that tendency by the uncertainty?—Yes; there is all the difference between five years ahead and one year ahead.

3061. May I ask you one question about your book comparing agriculture in Germany and England?

There seems to have been a reference to it last night. You state there, I think, that for every 100 acres under cultivation Germany feeds 75 people, as compared with 40 people fed in this country for every 100 acres under cultivation?—Yes.

3062. That is accounted for, is not it, by the different proportion of tillage in this country and Germany?—Entirely.

3063. It is not what many people seem to assume, that the English farmer farms so badly that he gets less per acre under the plough than the German farmer?—No, that is so. At the same time I was very much impressed by the German farming I saw last week. It was being done splendidly.

3064. *Mr. Parker*: You have said, in reply to Mr. Smith, that a great deal of land in this country was badly farmed. Would you not admit that when there has been a good deal of levelling up, on the whole the farming in this country is of a very high order?—A great deal of the farming is of a very high order in this country. Before the war one was under the comfortable illusion that a very large proportion of it was of a high order; but I think that the experience one has had in the Food Production Department, and the experience of the Agricultural Committees throughout England and Wales, has pointed to the fact that after all there are more bad farmers than we supposed.

3065. In your evidence-in-chief you say it is possible to assert with some confidence that if it costs 33s. 1d. per quarter to grow wheat on certain soils in 1913–14, it will cost 59s. 2d. per quarter in 1919–20. Have you estimated at all that if the hours of labour are reduced from 54 to 50 in the summer months, how these figures will be affected?—In the notes attached to the estimate I show precisely how the hours have been discounted, and my statement refers exclusively to cases where the conditions are strictly parallel; that is to say, a 5½ days' week in the one case and a six days' week in the other.

3066. That is 54 hours a week, is not it?—The actual number of hours varies in different parts of the country; but I have made a difference between the two estimates of about 4½ hours per week.

3067. But if the hours in summer time are altered from 54 to 50, would it affect your estimate of the cost of £14 16s. 5d. to grow an acre of wheat?—No, it would not.

3068. I gather you are of opinion that a guarantee of 60s. to 63s., according to weight, would substantially increase the area under wheat above the area of 1909–13; but you add, "provided the costs are stabilised." Is that possible at all? My point there was, that I do not know what the future trend of costs will be; but assuming that they are stabilised on these figures, I estimate that there would be the increase which I have stated in my evidence. If you think that they are not yet stabilised, then you must discount my figures accordingly.

3069. And if they are not stabilised, the guarantee would have to be more than 60s. or 63s.?—Yes, to have the same effect.

3070. It would be a large assumption to say that costs are stabilised?—I am not assuming they have been or have not been.

3071. In Appendix A, under "Other Charges," I see you include farmers' wages at 10s. per day for 300 days?—Yes.

3072. In your opinion should this charge vary with the size of the farm becoming smaller and on very large holdings?—Yes, it should; but I have taken here an ordinary case. It is not an average case, but an ordinary case to get a conventional figure. It will have to vary.

3073. In your estimates there does not appear to be any charge for the tenant's capital employed in the farm?—Yes. If you turn to the detailed figures of costs, you will see I have carefully estimated the charges for tenant's capital employed in horses and implements, and I have also estimated his outlays for bank overdraft for cases in which costs are to be incurred before the produce was sold.

3074. The interest on the tenant's capital is spread out?—Yes; amongst all these items I have analysed it in that way.

3075. At what rate have you taken it?—I have taken interest on horses, for example, at 5 per cent., and depreciation at 7 per cent. I cannot find the rate for implements at the moment, but it is included.

3076. The figures include interest in some way or other on the whole of the capital employed in the farm?—Yes, the whole of the capital employed on wheat growing.

3077. You say these estimates are not based on any exact figures, but are assumed?—Yes, that is so.

3078. In assuming them, have you in your mind a large farm about 300 acres or a small farm?—250 to 300 acres—about 300 acres.

3079. *Mr. Nicholls*: I only want to ask with reference to Germany. Did I understand that you have been there quite recently?—I came home last week. I was only in the occupied area; I was not in the rest of the country.

3080. I wanted to ask whether you found any areas where they were largely small holders?—Yes; in the area in which I was, in the neighbourhood of Cologne, there was a very large number of small holders. The percentage of small holders in the whole of Germany is very high.

3081. I only wanted to get at the point that was raised a little while ago, that if we are out for repopulating the countryside, do you consider the advantage is on the small holder's side? What is your view with regard to the large commercial farm?—If you are out for repopulating the countryside, then undoubtedly the balance is with the small holder. I noted pretty closely the condition of these German small holdings. I saw them on good land and on poor land. I could see they were exceptionally well managed on good land. They were quite as successful as the large farms in that neighbourhood. In fact, they were more successful, because they were working at their harvest from sunrise to sunset. On the large farms the farmers were complaining very much of the shortage of labour just as they are here. In the poor districts the small holders had suffered badly from lack of manures during the war, and their crops were very unequal.

3082. Did you find any discontent amongst them?—I did not question any of them.

3083. What is your experience in England with regard to that point? Have you discovered that where a father has a small holding his sons are really keen to go on with the same kind of life?—I should not like to generalise.

3084. I mean you have not discovered anywhere where the father has been a small holder and the son has left him at it, and got so sick of it that he wanted to run away?—I think that is very likely; but the other side of the story is also likely. There are different fathers and different sons.

3085. Quite so; but what I wanted to find out was, whether the applications for the small holdings as a rule come from the sons of fathers who have worked small holdings themselves?—I do not know, but I do not think it is desirable that it should come. I should prefer that these men took up the earning of wages until they had saved some money to go on to the land, so as to leave the small farm for the older agricultural labourers who had gained experience, and who as enterprising men could manage a small farm; and there are many of them.

3086. From that point of view have you any knowledge as to whether that type of man who settled to work for somebody else, but is the son of a small holder, is at all anxious to go and take land on his own like his father did?—I would rather not answer the question because I have had so little experience.

3087. With regard to Germany, did you find on the farms there any difference between their management and the management that you find here? Did you find less fences, for instance?—Yes. The noticeable thing with regard to fences was, that on the plain there are no hedgerow trees and no fences at all; and

whereas our roadsides are bare and our field sides are filled with timber, their roads are lined with timber and there hedgerows are non-existent.

3088. Do you find they plough right up to the roadway?—Yes.

3089. There is no fence at all in many cases?—No.

3090. *Mr. Lennard*: There is a general statement at the end of paragraph 14 of your evidence-in-chief which I do not follow. You say that "improvers of land, whether landlords or tenants, always benefit the community." I suppose the improvement of land generally costs something?—Yes, it costs something.

3091. And some improvements may only bring in 2 per cent. on the outlay, may they not?—That is so; but the loss falls on the improver himself and the community generally benefits: the parish benefits when the man suffers.

3092. But would you really maintain that when the State needs money so badly that it is willing to pay 5 per cent. or more for it, it would benefit the community to sink money in improvements which only bring 2 per cent.?—I was not thinking of present conditions, but of past history. I was thinking of the value to the nation of these improvements which had been effected at 2 and 3 per cent. when the crisis came, and it was necessary for us to get something on the land. The land stores up its good treatment, and it is there available when it is wanted. I was also thinking of the fact that other classes of the community who do not put their earnings into the improvement of land are very apt to put them into other commodities which disappear altogether.

3093. Let me take a case. I suppose you would admit that an increased output of building stones and bricks, let us say, would at this moment benefit the community very greatly?—Yes, that is so.

3094. But would you consider that a man would benefit the community more by improving the land for a return of 2 per cent., assuming it would only bring him 2 per cent., than by putting his money into a quarry or brickfield producing 5 per cent. or more?—No, he would not at the present time; but he would do so more than a man who put it into, say, a motor-car.

3095. There is another point I would like you to explain. In paragraph 13 you say, "Better prosperous grass farms than bankrupt tillage." By "bankrupt tillage," do you mean tillage that does not pay its own way?—By "bankrupt tillage" I mean the class of tillage one saw a great deal of 25 years ago at the end of the depression, when farmers scraped along without capital, with overdrafts from the banks up to the maximum which it was possible to get, and never knowing at one year's end where they would be at the following Michaelmas.

3096. But tillage could not be said to pay its own way, and therefore in a sense could be said to be a losing proposition, if it required help from the taxpayers to keep it going?—In the case of bankrupt tillage to which I referred the dole came from the farmer's own savings. That is to say, he had to cut down his expenditure in every possible way, and the probability was that he may have been suffering in his own person and in his own family.

3097. So that the difference would be if tillage was maintained by grants from the Exchequer, not that there would be a gain, but that the loss would be borne, not by the farmer, but by the taxpayer?—Yes; in certain cases that is so.

3098. In paragraph 18 you suggest that in respect of tillage land the farmer should be given certain abatements in the payment of Income Tax. Am I right in gathering from what you say at the end of paragraph 17, when you speak of something apart from the guarantee of corn prices which might be done to alter the economic prospect of tillage farming, that you suggest these abatements in addition to the guarantee you propose?—It was my intention to suggest them as additions, because I do not think that the price in itself would be likely to bring about the extension in the area of tillage which is at the present time desirable.

3099. I understand. I suppose if tillage farmers paid less taxes, which they would under your system of abatements, other people would have to pay more?—Presumably.

3100. So that ultimately the gain to the tillage farmer would come out of the pockets of other taxpayers, in just the same, or much the same, way that any payments would which were made by the State in the way of guaranteed prices for cereals which were higher than the world price?—Quite so.

3101. Is not it the fact that this system of abatements would involve extra bookkeeping for the Inland Revenue Department?—I do not think it would involve any substantial difficulty.

3102. But if it did involve any real increase in bookkeeping, it would cost the State rather more than it would to give higher guarantees and pay the farmer his subsidy by one channel only?—Yes; as a pure business transaction I agree with the line of argument you are taking. I am thinking, however, of the effect on the farmer's attitude of securing an abatement.

3103. You think that if he gets two payments made in two different ways they seem to be bigger?—If it is possible to secure an abatement, he will try to earn it.

3104. Then you suggest the principle of abatements because it is improbable that any guarantee of prices likely to be obtained by the farmer would be sufficient?—Yes.

3105. I suggest to you that it really comes to this, that the farmer may get more out of the taxpayer, if the taxpayer does not know how much he is paying for the encouragement of tillage; or, in other words, if the subsidy is concealed from public criticism in the form of abatements to farmers. Does not it really come to that?—No, I do not think it comes to that. I think the public would quite understand the nature of the transaction.

3106. There is another general statement of yours I find some difficulty with. In paragraph 7 you say: "Every quarter we fail to grow adds to the nation's heavy load of debt"?—I should have qualified that by saying, assuming that there were not more profitable employment; that is to say, assuming that labour required employment.

3107. Assuming that you could not find any more profitable employment for the labour and capital engaged in growing this quarter?—Yes, that is so; at the same time it is very difficult under present circumstances to see how you can avoid the debt.

3108. Your suggestion is only that if we fail to grow quarters of corn we add to the debt, so long as the growing of the quarter of corn would be the most profitable thing we could do with the labour and capital at our disposal?—Yes.

3109. *Mr. Langford*: With regard to small holdings, are you in favour of buying the best land in which to cut up the small holdings? Or let me put it in another way. Is not it probable that the small holder would make a better living and results be better on good land than on inferior land?—Yes. It all depends what the intention is and what the size of the small holding is; but for the small holdings I had in view, which was in fact a small farm capable of being worked by one pair of horses, I should like the small man to get the average land of the district.

3110. Is not it the fact that in the past very unsuitable land has been acquired and equipped for small holdings in many instances?—It is certainly the fact that in the past many small holders have occupied very indifferent and very unsuitable land.

3111. Is not it quite probable at the present moment that some people's enthusiasm for purchasing small holdings may lead them to purchase very unsuitable land on which to put discharged soldiers and sailors?—It is always possible that if there is enthusiasm one may go wrong.

3112. Is not it the fact that it already has done?—I cannot answer the question, because I do not know the properties purchased.

3113. When a larger farm, say 300 acres, is cut up into three or six farms, is it your opinion that the

whole of the equipment ought to be charged on the rent to the small holder?—It undoubtedly ought to be if it is going to be an economic proposition.

3114. If it is going to be an economic proposition, I take it there would be small chance of a small holder making a success of his small holdings; in other words, he would probably have to pay double the rent of what the farmer paid before it was cut up into small holdings?—At the present cost of buildings he would, but one always hopes these costs will not continue.

3115. Do you see any real hope of costs of building coming down in the near future?—I am not sufficiently acquainted with the building trade to answer the question with any authority, but I should hope they would come down in the near future. The mere fact that there is a scarcity of 100,000 men in the building trade and they cannot get men is a thing which time should remedy.

3116. When there is a larger number of men being engaged in building, is it at all likely that their wages per hour will come down?—I do not know.

3117. Then it is reasonable to presume that the small holders, the men who would be fixed up on the land in small holdings, in the near future will have a hard beset fight with all these increasing expenditures put upon them?—They would certainly have to find a higher rent if they got new buildings.

3118. I suppose you are aware that in the past, when the County Councils have purchased small holdings and equipped them, that the Assessment Committee have pounced immediately upon the small holder and increased his rent, even upon the fencing, the buildings and the supply of water, and that sort of thing—all the expenditure upon small holdings. That is so, is it not?—In some cases I have no doubt.

3119. Is not it your opinion, and you have had great experience, that small holders ought to be released, at any rate, of that payment?—I should like to see it done. Whether it is desirable that it should be done seems to me to be a question largely for the locality.

3120. Is not it more a question for Parliament than for the particular locality to alter the system?—Is it your view that the small holder is unfairly rated?

3121. My point is that it is unfair to rate a man on the buildings and equipment. It is rating a man on improvements?—Yes, I see your point now.

3122. I put it to you, it would be better to alter the system of rating, and put it upon land rather than upon improvements and upon buildings. Do you agree to that?—I agree it is desirable not to penalise the improvements.

3123. Do you agree that under the present system of rating improvements are reported and are penalised?—I have not come across it in my own experience. I think it is likely; I take it from you it is likely.

3124. Do you agree with me that if I put up a range of cowsheds suitable for making a feeding farm into a dairy farm, I am immediately rated upon the market value invested in that direction?—Yes.

3125. Do you think that is quite fair and that the system ought to be altered?—I suppose the answer to that is, the consumer of milk will have to pay.

3126. That may or may not be the case. I see in your suggestions you propose to cut up farms into small holdings of from 50 to 100 acres. You make no provision in your recommendation for smaller holdings?—I was not dealing with the statutory small holding, or the small holding in the sense in which one usually uses the term. I was thinking of the small farm which could be worked by one pair of horses as compared with the farm which is now requiring two to three pairs.

3127. Would you agree with me that the most economic small holding would be the one which the skilled farm labourer taking up a small holding could work himself with his family without paying wages?—Yes, I agree.

3128. But do you think a small holding on which an occupier has to pay out large wages would be likely to be profitable to him—No, I think not; but what I did draw attention to in my estimate is the very heavy cost of horse labour now, and it was that I was thinking of.

3129. Then under your recommendation to supply small holdings, you suggest increasing the number of 20 to 100 acres from 137,000 to 192,000. You would displace 55,000 farmers. What do you propose to do with those?—I do not displace 55,000. It is a bigger area. I displace 15,000 from the larger farms and give them the small farms. I am assuming they are the less efficient people on the larger farms. There are 40,000 to be provided with holdings of an average size of 60 acres about. You will find it will take something like 15,000 holdings from the next group larger to make these 40,000 holdings.

3130. Then your idea is to put upon some of the smaller farms men who are now farming the larger farms?—Yes, and as a rule not doing them well.

3131. But is not the idea of small holdings at the moment to bring a largely increased number of men on to the land?—Quite; but I do not want to turn those men who are on the land off the land. I want to make provision for them.

3132. But you want to make them smaller farmers?—Yes; a great many of them should be.

3133. In your Appendix B. you state that the cost of feeding a beast in summer is much less than in winter. Do you agree with me that that fact alone will have a tendency to put down to grass a lot of the land which is now tillage?—That is the strong factor which is influencing men to put down land to grass at the present time—that and wages. The cheapness of grass feeding is recognised.

3134. With regard to your estimates of growing wheat, autumn cultivation, harrowing with one man and two horses, do you mean one man with two horses will harrow 16 acres a day?—Yes.

3135. Is not that very much above the average now done?—No. I think it is a good bit less than the Scotch average and about the Eastern Counties' average, but probably more than the Western Counties' average. It depends on the condition of the land, of course.

3136. With regard to the rolling mentioned by Mr. Smith, you would regard it as bad farming not to harrow and roll the land in the spring, would not you?—Yes.

3137. Is not it the fact that very frequently a good farmer rolls his wheat and other crops as many as two or three times in the spring?—That may be.

3138. If he gets an attack of wireworm, he has to do it many more times than that?—Yes, that may be.

3139. Under "Other Charges" for seeds you have 2¼ bushels. Is not that much below the average usual?—Not if you take the average over the whole of the country. The seed average is rather higher in your area; but on the whole it would be rather less in the Eastern Counties I think.

3140. *The Chairman*: May I, just for the purpose of getting it on the records, ask if you were Lecturer in Agriculture at Aberystwyth University College?—I will briefly indicate the appointments I have held in this country. I began my agricultural work in India; I was there seven years. I was Lecturer in the University College of Wales, Aberystwyth, from 1896 to 1899; Professor at the Armstrong College at Newcastle from 1899 to 1901; Professor of Agriculture at Cambridge from 1902 to 1907. I resigned in 1907. I came to the Board of Agriculture as Assistant Secretary in 1906. I resigned my appointment in May of the present year, and I am at present a Commissioner under the Development Act.

3141. You were Deputy Director of the Food Production Department?—Yes. Deputy Director-General it was.

3142. I suppose it may be safely said that you have been in close touch with practical agriculture for many years?—That is so. May I now make an alteration in my précis? A sentence I use in paragraph 7 of my evidence is misleading. I say "it certainly adds to the nation's heavy load of debt." As Mr. Lennard indicated, it ought to be "certainly adds to the debit side of the nation's account." In my view, however, both are true, because I do not see any other productive industry which is likely to be more useful than tillage farming in the immediate future.

The Chairman: Very well.

3143. *Mr. Prosser Jones*: In paragraph 8 you suggest there are in England and Wales at the present time several million acres which should be under grass in the interests of owners and occupiers, and under other crops in the interests of the nation?—Yes.

3144. I presume you are acquainted with the work of the District Committees under the Executive authorities in the various counties, and that they have frequently instructed farmers to plough quite unsuitable land. As one means of avoiding that should you favour the grading of land for the purpose of corn growing?—These Executive Committees were War Committees, and it was necessary to get, within two or three months' time, a very large increase in the arable acreage of the land of the country. Obviously, working under such conditions, some Committees may have made mistakes, but on the whole the work of the Committees was extraordinarily good. I agree with you, however, that if one were setting out to do this work in peace time, when there was no urgency, it would be necessary to grade land carefully before it was broken up or converted from grass land to tillage.

3145. Quite a large number of farmers that I know were instructed to plough certain land that was quite unsuitable for ploughing. They were compelled to do it in a way, and, of course, the result was a complete failure. Now they cannot get any compensation even although they were forced to do it against their will. You state in paragraph 4 that it is doubtful whether we can ever get back to the period between 1871 and 1875, even if 80s. to 100s. a quarter were offered. What other inducement could we now offer, in your opinion, to induce the farmer to till more land?—I have made suggestions at the end of my precis which bear upon that point.

3146. You are of opinion that the offer of guaranteed price would not be likely to drive the majority of farmers to till their land?—I do not think it would cause the majority of them to do so, but if it caused a substantial number of them to do so it would be of advantage to the nation.

3147. Do you think the milk supply would be safe?—I do not know whether it would be safe, but at any rate it would be safer than it is at present, or rather than it has been under the conditions of the past few years.

3148. You state in Appendix A that you allow a sum of £150 as an income for farmers, based on 300 acres at 10s. per day for 300 days?—Yes.

3149. Is not that rather a low figure for the farmer's remuneration?—I simply put that down as his "wages," and of course any profit over and above that wage that the farmer is able to make, due to his skill and industry, would go to him. I think that £150 a year would not have represented a very unusual income for a farmer farming 150 to 300 acres of medium land within a period of 20 years before the war.

3150. I take it that the farm labourer in Scotland would be far better off than the farmer himself, seeing that we have had it in evidence that £80 has been paid out to certain labourers in Scotland for six months' work?—I was referring to the position of the farmer before the war. Before the war the Scottish farm labourer was certainly not making more than about £70 a year. I should think that would be the ordinary wage, including perquisites.

3151. *Mr. Thomas Henderson*: You say that we should regard this question from the point of view of national interest?—Yes.

3152. Will you tell us what precisely is your understanding of that rather elusive phrase "national interest"? Does it mean by way of an insurance against war risk, or what does it mean?—I am anxious on one side to see a large increase in the rural population—a point that was referred to earlier by one of the members of the Commission. I am anxious to see a much larger quantity of food produced in this country itself, because the outlook for the food supply of the world is a very grave one at the present time, and unless we do more for ourselves in this country, though we shall not be faced with starvation, we may be faced with very high prices and great shortage.

3153. Does that argument of yours almost inevitably lead you to conclude that guarantees are not necessary in that case?—No, I do not think it does. I think it is highly improbable that the prices of grain within the next 5 years will be approximate to the 60s. which I have mentioned. I think that they will be much higher, but I do not think that the average farmer of this country would be likely to take the risk. He thinks of the prices which were ruling before the war. He hears of very large quantities of grain which have been grown in America; of the American shipping projects, and so on, and he says to himself "With the high cost of production now, I am not prepared to take the risk of tilling my land."

3154. So that the effect of the guarantee is chiefly a psychological effect?—Very largely.

3155. Have you seen any likelihood of this psychology applying to the worker—any likelihood of a large majority of the workers going back to the land to work?—I think myself with the rate of wages now current, there is not likely to be any shortage of farm labour in the next few years after we have got over the present year.

3156. Is that a considered judgment of yours?—That is a considered judgment.

3157. Not a mere estimate?—No, that is according to my judgment.

3158. You say somewhere else, rather picturesquely, if I may say so, that in 1917 and 1918 there was a race between the plough and the submarine, which but for good luck would have had a fatal ending for us. Turning to Germany, can it be said that the increased tillage in that country during the war was the means of their being able to prolong hostilities to the extent to which they did?—What it enabled them to do in the case of Germany, was to hold out for four years, where otherwise the country would have cracked up in one.

3159. If you have any information on the subject, could you tell us how long our possible maximum increase of tillage would enable us to hold out?—If we were given two years' notice, which is a big assumption, one could feed the population of this country as well as Germany was fed in 1917 and 1918 on about 14,000,000 acres of corn.

3160. That means about 7,500,000 more acres than you have estimated in paragraph 4 of your evidence?—Yes, about that.

3161. We are not likely to get two years' notice of another war, are we?—No, but you must always remember that we could keep going for a very considerable time, and it would be two years before the actual crisis came.

3162. There is another question I should like to ask you from the psychological point of view. At the end of paragraph 15 you say: "High wages are likely to increase the demand for small holdings. Men of the best type will be able to save money, and a proportion of them will prefer to farm for themselves rather than to work for wages." I would like you to make clear what is your basis for that expression of opinion?—

It is a pretty old basis now, because when I was a young man I moved about a great deal among farm servants, and I knew the general feeling there is in the mind of the farm servant. A certain number of them prefer "service," as they call it, to holding land, but there are always a certain number of men who want to be independent, and I estimate taking one with another that you would find a demand for a small farm from about one in ten farm servants.

3163. That is based on the recollections of your youth?—Yes.

3164. You do not know the altering factors that have come in since then?—No, but I think that the altering factors which have come in since then have all been in favour of small holdings rather than the reverse. The prospects of saving money used to be very very small, whereas nowadays it is very considerable.

3165. You think there is greater likelihood now of their going in for small holdings?—Much more likelihood now than there was 35 years ago.

3166. You use the expression "Wages Fund." Will you tell us exactly what you mean by that?—Unless an industry produces a certain amount of money, there is nothing to divide up among the various interests. If you are tilling arable land, the gross average value of the crop at the present time would be something like £14 to £15 to the acre, whereas under grass it would be £4 or £5, and in the £14 or £15 there is a much bigger sum available for division than in the £4.

3167. Really, it is another way of stating that more people are employed on the arable land than on the grass?—Yes.

3168. I thought that perhaps you were using it in the good old sense in which economists used it?—No.

3169. *Mr. J. M. Henderson*: Referring to your Appendix A, where you speak on the pre-war and post-war cost of growing wheat, you put the cost pre-war at 33s. 1d. per acre?—No, per quarter.

3170. That was pre-war?—Yes.

3171. And after the war you put it at 59s. 2d.?—I do not attach any value to the penny and the twopence, but it happened to work out in that way arithmetically.

3172. We will call it in round figures 33s. pre-war as against 59s. post-war per quarter?—Yes.

3173. How much money do you assume the farmer made per acre pre-war if it only cost him 33s.?—In the five years before the war he would have made 10s. and 8s., that is 18s. per acre, but as I explained at the beginning of my evidence I think my estimated yield is probably 2 bushels too low for that class of land, and you ought therefore to add on another 5s., bringing it up to 23s.

3174. The post-war cost according to you is 59s.?—Yes.

3175. So that if he sells at 72s. 6d. he makes more?—Certainly. We know he is making much more just now than he did before the war but he is getting the advantage at the present moment of good times which will be certainly evened out by bad times.

3176. Then the whole of your scheme is based upon bad times?—No, it is based upon the average.

3177. If he is getting 72s. 6d. or 75s., which I think is nearer what he is getting, what use is the 60s. minimum that you have proposed?—Because he is not convinced, and no one can be certain that the price will not drop suddenly, although that is very improbable I think.

3178. I suppose you are aware that the Canadian Government have fixed the minimum price of corn at an equivalent to 75s. for this season's crop. They have fixed it at $2.25 per bushel which according to my arithmetic works out at 75s. a quarter?—Yes, that is about it.

3179. You say yourself with regard to the world production and the world demand that it is very unlikely for the next two or three years there will be any drop in prices?—Yes, that is so.

3180. Is your suggestion that we should give to the farmer a minimum of 60s.—a long way below what he is selling his wheat at—in order that his feelings might be soothed: is that it?—I really cannot say whether his feelings will be soothed by it or not.

3181. You speak of this being in the nature of a psychological protection for farmers. This is the first time I have heard of such a form of protection?—What I mean exactly is that if he had a guarantee of 60s. for say five years ahead he would be induced in my opinion to put in the quantity of corn I have estimated—or thereabout.

3182. He was induced to put it in 1875 without any minimum. What has happened to him since then to make him require a guaranteed price?—His wages bill has gone up very much and foreign competition has entirely modified his views as to the prospect of corn growing.

3183. You think, therefore, that we must come to his aid?—I do not think he wants you to come to his aid; on the contrary, I think he would like to be left alone.

3184. Now will you take your Appendix B with regard to meat. You work out here the total cost of producing meat before the war?—Before the war it was 36s. 10d. per cwt. on the 2-year olds and 40s. on the 3-year olds.

3185. 36s. per cwt. the cost, and selling at £18 1s. 9d. per head. Do I understand that that figure of £18 1s. 9d. is the result?—No, the £18. 1s. 9d. is the total pre-war cost at 23 months. He would have to sell the animal at £21 or thereabouts.

3186. What did he sell it at in fact?—Just before the war at about 39s. per cwt., I cannot remember exactly.

3187. What profit did that leave him?—2s. 2d. a cwt. on 9 cwt.

3188. That is 19s. 6d.?—Yes.

3189. Post war you estimate 73s. 10d. as against the cost £36 4s. 6d.?—Yes.

3190. What profit does that leave him?—I beg your pardon, the £36 4s. 6d. is the same figure as the 73s. 10d. The present price is 79s.

3191. How much profit does he make out of that?—5s. 2d.

3192. That is 5s. 2d. as against 2s. 2d.?—Yes.

3193. That is not a bad profit? Do you propose to give him a minimum in regard to meat?—I have made no proposal as regards meat.

3194. These figures which you have assumed have been hastily got out?—No, they are not hasty, they have taken a good deal of time to prepare.

3195. To go back to your evidence, you say in paragraph 1: "In the absence of a large number of accounts it is impossible either to prove or disprove the correctness of these estimates." It is difficult for me to start with a thing which is not capable of either proof or disproof?—I quite agree you are in a bad position, but they are not hasty figures, they have taken a good deal time to get out.

3196. Would you be willing to admit that these estimates are all on the pessimistic side—what they call in the City on the "Bear" side?—No, I do not think so. The figures set out in the estimate are pretty nearly right, I think.

3197. May I put it that they are figures which from your own conscious rectitude you think are right, but you have no other data upon which to go?—In the case of the two year old cattle, the figures are based on the weighing of 130 cattle in seven successive years—about 18 animals each year.

3198. You say nothing here about cattle bought. As you know it was the custom of farmers to buy their store cattle from Ireland and elsewhere and feed them?—Yes.

3199. You have given us no estimates at all on the profits made on that kind of cattle?—No. I have confined the estimate to the case where the animal spends its whole life on one farm.

3200. As a matter of fact you have taken no account at all of store cattle, and you know the practice of buying store cattle is one which very largely obtains both in England and Scotland?—Yes, that is so.

3201. And there is a very large profit attached to it?—I think I have indicated in my memorandum that there is a large profit accruing from that. The experience of Irish breeders of cattle and of the letting of grass by auction indicate that there has been a large profit on stores.

3202. So that there are other elements which move into a farmer's balance sheet than those you have given in your appendices?—Yes.

3203. With regard to Summary No. 1, as you are aware under the Small Holdings Act of Scotland, a number of small holdings were taken up and a special Land Court fixed a very low rent for them?—Yes.

3204. Are you aware that a lot of those small holdings have since been given up?—I am not. I do not know how many have been given up.

3205. Is not the difficulty with regard to small holdings the cost and upkeep of buildings?—That is so.

3206. You make that as a suggestion for the abatement of Income Tax. You have not made that very clear to me, but I suppose I must leave it as it is. As you increase the quantity of your doubtful land into tillage cultivation you just by so much decrease the grass land for the growing of cattle?—Yes.

3207. Are we not to a large extent dependent upon cattle growing for our food in this country?—About half of our meat supply comes from the cattle grown at home.

3208. And only two-sevenths of our grain supply?—Yes.

3209. So that it is just as much to our interest to keep up our meat supply where we have got a big standard as it is to our interest to keep up our grain supply which we hope to increase, particularly by encouraging experiments on bad land?—I do not quite agree there, but the argument with regard to meat production would take too long, I think.

3210. What is the average weight yield in this country for fair moderate good land?—Last year, 1918, it was 33 bushels per acre.

3211. A little over 4 qrs.?—Yes

3212. What is the yield of similar land in Germany, do you know?—I could not off-hand compare similar land in Germany with land in England, but I can give you the average German yield. According to the published yields before the war, their wheat was something like 33 or 34 bushels to the acre—that is my recollection.

3213. No better than in this country?—I am not sure that it is as good, but I will find it for you. Here it is. The yield per acre was 31·6 bushels before the war. Our yield in the same period was 31·2, so that it was just the same. I may say my own view is that the German estimates were above the mark, whereas our own were rather below the mark.

3214. Somebody has put a question to you with regard to the hedging. Is it not the fact that about 2 per cent. of the land in great parts of England are occupied by hedges and ditches?—It is more like 10 per cent. than 2 per cent. in many counties. I think that in the West of England you will find the land occupied by hedges and ditches often ranges from 6 to about 10 per cent., according to the size of the fields.

3215. I did not think it was anything like that?—I am speaking without figures, but I know it is a very large proportion. In the Eastern counties, of course, it is much less.

3216. Would it not increase the yield if hedges and ditches were done away with and simply wood posts and wire put up so that the land could be cultivated close up?—It certainly would increase the yield.

3217. You say quite frankly in the beginning of your evidence, that in the absence of a large number of accounts and statistics it is impossible to prove the correctness of some of your estimates. What we are very anxious to find is the balance sheet of a few farmers from the actual working of their farms?—Yes.

3218. Have you ever seen any?—I have, but when you lay emphasis on a few, I think you are doing a very dangerous thing. If you had balance sheets of a thousand farms, we will say, that would be another matter, and I should like to see the averages in that case.

3219. We would be content with 100, I think?—I am afraid I should not be content with your views with regard to the 100.

3220. I would rather take 100 certain actual results than I would a series of calculations where it is impossible either to prove or disprove?—Well, I would not.

3221. Have you any of such balance sheets at your disposal which you could submit to the Commission?—No, I have none at my disposal for submission to the Commission.

3222. Can you tell us how we could get any?—I understand you have made arrangements for getting them through the Costings Committee.

3223. *Mr. Green*: With regard to the efficiency of labour, were you aware that when the Royal Commission sat in 1881—I may tell you I have been reading it up recently—there were many complaints made about the efficiency of labour?—I think it is quite likely, and I will take it from you that there were.

3224. And if there were a Royal Commission on labour in 1991 there would still be complaints about the efficiency of labour, would there not?—I agree that is very likely.

3225. Have you any figures at hand showing the acreage under wheat between 1910 and 1914?—Yes.

3226. The only point I want to know is this: was the acreage progressive?—No, it was about stationary, I think, in those years. Between 1905 and 1914—I have got the average figures here—the average wheat area of England and Wales was 1,736,000 acres. I think there was a slight tendency upwards; in 1914 it was 1,800,000, if I remember rightly.

3227. You will admit, I suppose, that farmers were doing fairly well during the years of 1911, 1912, 1913, and 1914?—Fairly well; the position was improving distinctly.

3228. Yet you allow a profit of only 10s. an acre on wheat?—Yes. I think I have explained that my estimated yield may be too low, and that you ought to add two bushels an acre to it.

3229. Your experience in the Food Production Department led you, I suppose, to realise that we had a certain number of inefficient farmers in this country?—That is so.

3230. Do you think there were *pro rata* more inefficient labourers than farmers—or perhaps that is not a fair question?—It is a matter of pure speculation, but I should say that the average is the same both of labourers and of farmers.

3231. Would you say that the lever under the Corn Production Act was the compulsory powers rather than guaranteed prices?—It was the Defence of the Realm Act that gave us the compulsory powers.

3232. Yes, that is so. I venture to submit that we might have the Defence of the Realm Act in so far as Orders 2L and 2M are concerned circulated to the members of this Commission. The reason why I suggest that is because there is a danger of the Defence of the Realm Act being lifted at any moment, and the Act would lose a very powerful lever if those compulsory powers were removed. Do you not agree with me?—I agree that you might with advantage read the clauses, but I cannot think that you will continue in peace time the compulsory clauses of the Orders made under the Defence of the Realm Act.

The Chairman: I think it is not within our power to deal with the Defence of the Realm Act.

3233. *Mr. Green*: With regard to paragraph 16 of your evidence, in which you speak of the 100 to 300 acre farmer, was it your experience at the Food Production Department that the most inefficient farmers were to be found on the larger farms?—No, I made no examination of the figures in that respect; I could not tell you that.

3234. Do you think you get more efficiency on a farm of 100 acres than you do on a farm of 200 or 300 acres?—My point was this. I have set it out in my memorandum on German agriculture—that on the farm of from 150 to 300 acres which is so common in this country, you have rather more land than a man wants who is prepared to use his hands fully, and rather too little on which to use his head fully. That is to say, if you are a competent farmer, you can manage more than 300 acres. It is a very general statement, because 300 acres in one district means a very different thing from 300 acres in another.

3235. With regard to your system of abatements of Income Tax, have you ever considered a bonus system—a system of giving a bonus for extra acres being tilled, so as to get more land under the plough for dairying as well as for corn production?—That has been considered very frequently. That suggestion was made, I think, in connection with the Milner Committee.

3236. I am not advocating it; I am simply asking your opinion. Do you prefer your own system?—No. I really put down these remarks as to Income Tax because they were suggestions that so far as I know have not been made. Many other suggestions have been made, and I thought you would be considering all the suggestions that could be made, and that you might agree to include those.

3237. Do you not think that the statements made by Sir James Wilson and other responsible persons might lead to a good deal of industrial unrest among farmers as to the likelihood of a fall in corn prices, and psychologically would be rather damaging to the nation as a whole?—I do not quite know what statements Sir James Wilson made to you. Do you refer to his letter in "The Times" some six months ago? There are always certain persons who are optimists and other persons who are pessimists, and their statements have to be balanced one against the other.

3238. It seems to me to be rather dangerous to put forward statements like that if they are not likely at all to be realised. You yourself believe in the price of corn keeping up, do you not?—The point is that no one on earth can forecast the price of corn. It chiefly depends on the weather of America in the next two or three years. All one can say is that it is highly improbable that such excellent harvests as the United States has had in 1918 and 1919 will be repeated in the next cycle of five or six years. They were extraordinarily lucky for us—much better than they were on the average of the 5 or 6 years preceding. 1916, for example, was a very poor harvest.

3239. *Mr. Edwards*: In answer to Mr. Smith you said that in your opinion our present system in this country in regard to security of tenure and so forth would prejudice good farming?—That is so. I will admit at once that I have not come in contact with the position in Wales as much as I have in other parts of the country, but I have heard it stated on good authority that in Wales this lack of security has had a prejudicial effect upon farming. I have heard that statement made, but I have no personal knowledge on the subject.

3240. You must be aware, I suppose, that in thousands of cases at the present moment the farmers have to purchase their own improvements in the open competitive market?—That has been so recently.

3241. You spoke just now about the psychological effect a guaranteed price would have. What psychological influence would it have on those farmers who have improved their land and who have been punished in this way recently?—It is likely to have a deterrent effect, and I am told that in Wales it has had such effect—I have been so informed.

3242. Our system amounts to this, does it not: that it really puts a premium on a man doing as little to improve his land?—I would not like to say that on the whole.

3243. Leaving that, and coming to the main object of our business here: in view of the fact that farmers produce articles of the first importance to the nation in a very thickly populated country, and to all appearances in face of a world shortage, why is it necessary to give any guarantee of prices at all?—I think the answer is that farmers will not believe that the prices will be stable for the next four or five years.

3244. We have a guarantee now, as you have already said, which is much above the guarantee in the Corn Production Act?—For a year.

3245. You have admitted, I think, that that has had no effect?—No, I do not think I admitted that; it has had an effect, surely?

3246. In the case of a yearly tenant, how do you expect a guarantee for five years to have this great psychological effect that you attribute to it?—I think that by far the larger number of yearly tenants never expect to be dispossessed at the end of the period. Of course, there are a certain number who are uneasy, and in their cases the guarantee would not be effective, but the percentage is very small.

3247. Are you not aware of the fact that the disturbance of the tenancy at the present moment is very much greater than it has ever been before?—I think that is likely; land has changed hands much more rapidly in the last year than ever before.

3248. You spoke about grass farming and corn farming. Do you think, in view of the fact that we are not able to produce any article in sufficient quantity, neither beef, corn, milk, nor anything else—I cannot remember any single article except potatoes possibly—that it is really worth while for the nation to interfere with farming in the way suggested?—The general experience of most countries which have increased their tillage is that although there is a temporary fall in the production of meat, the meat production is as satisfactory from the tilled land as from grass land. It may certainly be more expensive and more difficult to get, but in amount it is practically the same. And similarly with milk—as in the case of Denmark for example.

3249. Your experience, of course, tallies with mine exactly. I could give you plenty of concrete instances in which the farmer himself and the owner makes infinitely more out of grass land than ploughed land. Do you expect that the mere guarantee of price suggested by you and other authorities will affect these men in such a way that they will follow the method of farming which would be clearly not so profitable to them in the future?—There is a large area of land on which, as you state, there is no doubt that the profits from grass farming will be greater, and I have indicated that under any circumstances that land will not be likely to be ploughed up. But there is a very large area of land in the country on which the profits of tillage and grass are about even, but the risks in the case of tillage, and the capital and the work required are so much greater than is the case in respect of grass that the farmer naturally prefers grass. The question, therefore, is whether in the national interest it is desirable that inducement should be given to the farmer to put his land in tillage rather than retain it in grass. Personally, I think it is desirable in the national interest that those inducements should be given, but of course other people take other views.

3250. You do not mean you would be prepared to advocate any system of compulsion in the future in the same way as we have done during the war?—No, I do not think it would be practicable in future.

3251. Even in view of the guarantee of prices?—I do not see how you could do it; you cannot make a man farm against his will in peace time.

3252. You speak in paragraph 14 of your evidence of farming capital. You mention that farm capital, even at the best, is comparatively little, and we have had it in evidence before the Commission that agriculture, as a rule, is under-capitalised. What, in your

opinion, will be the effect on the future development of the agricultural industry of the fact that farmers have had to buy their holdings, and put their capital not only into the shape of land, but also into their industry—a double employment of their capital?—In my opinion it is very undesirable that a farmer's limited capital should be expended in the purchase of land.

3253. It is a historical fact that they are doing it?—That is so.

3254. Would you be in favour of some such system as prevails in all other countries of the world, of a special scheme of financing farmers?—Have we not at the present time got certain credits available?

3255. No, not for the purpose of buying land?—No; but when the land has been bought, to enable farmers to secure implements and so forth.

3256. That was the case; I do not know whether it is in operation now?—I think it is.

3257. You said that you were not in favour of splitting up farms above 300 acres. Do you mean to suggest that these farms of 300 acres and over produce more per acre or per given area than smaller farms?—I think on the average that the farms of over 300 acres are the most productive in the country—that is to say, if you compare a similar set of farms of 300 acres and over with a set of 300 acres and under, you will find that the produce per acre from equal land is greater in the case of the larger farms.

3258. As an alternative method to the guaranteed prices, you suggest certain abatements, and so on?—Yes.

3259. In your book which you have before you, you point out the remarkable difference in the case of the farmers of Germany as compared with the farmers of this country, and you say that about 90 per cent. roughly of the farmers of Germany farm their own land?—That is so.

3260. Whereas about 90 per cent. of our farmers are tenant farmers?—That is so.

3261. Do you not recognise that anything in the shape of a guarantee of prices, or of abatements, or such expedients, will have an entirely different effect in this country as compared with Germany because of that fundamental fact?—The influence would be greater if there were ownership in this country undoubtedly, but the degree to which it would be greater is a matter of opinion, and very hard to form an estimate with regard to. I agree with you that in the case of ownership the incentive given by a guarantee would be greater.

3262. Is it not a fact admitted practically by all authorities that in the long run the profit resulting from all these abatements and guarantees tend to go into the pockets of the landowner, and to leave the tenant in exactly the same position as he was before?—In theory it is bound to go there, although, I think, as a matter of fact, it very seldom reaches their pockets.

3263. You speak in your evidence of the cost of the growth of wheat, and the rent, rates and taxes, and so on, but you only allow 5s. per acre, if I understand rightly, for the increased cost?—Yes; of course that does not include Income Tax.

3264. You said that the rent, rates and taxes pre-war came to £1 5s., and that post war they came to £1 10s.?—Yes, that is about it.

3265. Do you take note in those figures of the tremendous increase in the case of a farmer who has bought his farm? Farmers all over the country are buying their own farms, and I should like to know whether you have taken note in your figures of the rise, not exactly in the shape of rent, but in the shape of the interest on the capital expended in the purchase of those farms, which, of course, will have to be added to the rent?—No, that is not taken into account here.

3266. *Mr. Duncan*: I think you stated, referring to the farmers, that they would like to be left alone and not interfered with by the State. Would you mind elaborating that?—What I meant by that was this: If the farmer felt that he was free from any sort of public responsibility, and had no guarantee, he would probably run his land down to grass, and would do as well as he would do under some system of guarantee, under which he was endeavouring to maintain as large an area under tillage as this country could maintain.

3267. Is that the only respect in which you think he would like to be left alone?—That is what was in my mind.

3268. You have already said you do not propose to couple with the guarantee any compulsion?—That is so, but I think there will always be considerable pressure upon the farming population to increase their arable holdings—that is the purpose of any guarantee.

3269. If there is to be no compulsion, in what way could the pressure be exercised upon the farmers?—Only by what you may call moral pressure.

3270. Do you think that moral pressure is likely to interfere much with the farmer if he finds that he can farm more profitably by grass than by tillage with a guarantee of 60s.?—I think myself that when the farmer has got his land into tillage, and has got accustomed to tillage farming, he will find that the profits of tillage are quite equal to his present profits of grass. The difficulty is to secure the change from the grass to the tillage farm. One of the great difficulties we had in the case of the Food Production Department was that many of the grass farmers were totally ignorant of tillage, and managed their land very badly in the first year. But that will pass away and the farmer will become accustomed to tillage, and a certain number of those who attempt it will certainly continue it. You will see that my estimate was that the effect of the guarantee would not be a very large increase.

3271. The point I am not clear about is whether the farmer should be left alone under your scheme?—When I said left alone I was thinking almost entirely of the last year or two, and of the pressure that has been brought to bear on the farmer to do things that he was not keen upon doing.

3272. So that in fact you propose that he should be left alone in future?—I think if there is any guarantee, he will always be urged to adopt a certain system of farming.

3273. Do you think it likely that farmers, or any other business men, because of urging—without any other form of pressure behind them—would be inclined to alter their system of farming from any other point of view than from the point of view of making the best out of it for themselves?—I think that a great many of them would be inclined to continue tillage which they have begun, and that so long as there was any prospect of that tillage paying them, they would not revert to grass; but, of course, this is a speculative question.

3274. I notice in your statement here you state that the cost per quarter, assuming a crop of 4½ quarters per acre of 504 lbs., would be 59s. 2d., whereas the average pre-war cost was 33s. 1d.?—Yes.

3275. And you say that this represents a margin to the farmer, after allowing him interest on his capital and 10s. an acre for wages, of 1s. 11d. per quarter, or roughly about 8s. an acre?—Plus any value he can work out of the straw, which goes mostly in manure, of course.

3276. During all these years would you say that farming was remunerative?—As I have already said, I think that my estimated yield, taking all the conditions into consideration, was too low, and that it ought to be 38 bushels. I made this estimate, not for the information of the Commission, but for my own information, and I did not ascertain exactly what the price of wheat was until I had made an estimate of growing. When I made the estimate of the cost of growing and ascertained the price of wheat, I found there was a very narrow margin—so narrow a margin that it would not have produced enough profit on a wheat crop if my estimate with regard to the cost of growing wheat was correct, unless there had been a somewhat higher yield.

3277. You go on to state that the price required at the present time would be about 62s. 6d.?—That is on the same basis. If you make a correction on one side, you must correct it on the other.

3278. So that instead of 1s. 11d. a quarter, you propose now that it should be 3s. 4d. a quarter?—Yes, it comes to about 3s. 4d.

3279. You take the pre-war wage at 18s. per week, and the present wage at 44s. a week. How do you arrive at the figure of 18s. a week pre-war?—It was a rough average for the country. I cannot remember now whether it was calculated precisely or not, but I think it was about 18s.

3280. The cash wages were about 17s. a week pre-war, and the cash allowances 2s. Would not that be nearer it than 18s.?—For the whole country?

3281. Yes?—I do not remember the details of this estimate; I may have them.

3282. I do not think that is very material now. You take the post-war wages at 44s.?—Yes, that was, I think, an average at the time at which it was taken of the rates being paid.

3283. I think the figure which has been given us as the average is 42s. 6d.?—If the average is not correct then, of course, the figures will have to be changed throughout.

3284. The effect of changing them would be to reduce the return to the farmer on the pre-war cost and to increase the return on your estimated cost for next year?—You must remember that this estimate is almost exclusively for the Eastern Counties; this estimate has Cambridge, and Essex, and Suffolk in view particularly.

3285. If that is the case the 42s. 6d. would be rather high for those counties so that the change of the figures would make the difference even greater?—What is the figure for the horsemen in the Eastern Counties, do you know?

Mr. Dallas: The horsemen in Essex are paid the ordinary wage and overtime rates for the extra hours.

3286. *The Chairman*: Would you kindly revise your figures and let us know if you find occasion to alter them? It only means putting in the wages rate and making the corresponding change.

3287. If you will do that for us it will save questions?—If I may have your wages rate as agreed I will take them and put them in.

3288. *Mr. Duncan*: The figure you arrive at of 60s. is a figure that has been very commonly given to us. I want to know where that figure of 60s. has been worked out on some such actual estimate as you are giving here, or whether it was simply a rough figure arrived at from claims made by farmers?—I cannot say where you have got your 60s. from, but I made a similar estimate to this some little time ago, and the figures came out very nearly the same as those here, and I have myself for some time had the figure of 60s. in view. I can only answer for myself.

3289. Previous witnesses from your Department have given us a figure of 60s. Might I ask whether you have considered it in your Department, and whether 60s. was the figure that members of your Department had in mind?—I have not considered it with my official colleagues. I asked Mr. Strutt what figure was in his mind, and I think the answer was that in his view it was about 60s., and that I said: "That is the same as mine." That is about all the consultation that has taken place with regard to it.

3290. You state in paragraph 15 that high wages are likely to increase the demand for small holdings. Have you ever worked out the relation between the number of applications for small holdings in the different counties to find out how they compare with the wage rates?—Mr. Ashby has done that in his book, and he shows the position. He shows that with low wages, as in Cambridgeshire, you get a higher number of applications than you do in high-wage counties such as Northumberland. But my point is that that refers to a past scale of wages, and I think that upon the present scale there is a bigger margin for saving cash than there was previously, and that that saving will be made by a certain number of men with a view of taking up land.

3291. If I put it to you that the same is true of Scotland, that you have by far the larger number of applications from the lower-paid counties, and that you have practically a dearth of applications from the higher-paid counties, would that not show that high wages are not an incentive to small holdings?—I agree with you that in the past they have not been.

3292. Coming to your theoretical argument, you base your belief upon the assumption that a workman has a bigger margin now and can save money out of his wages for the purpose of going in for a small holding. What would you reckon would be the amount of capital that a workman would require to amass if he were to take up a 50-acre holding, which you said would be a desirable size?—At the present time a workman going into a holding would need from £12 to £15 per acre capital.

3293. Taking it on your lowest figure, £12 per acre would mean that he would require to have £600?—Yes.

3294. Assuming that wages are stabilised at your figure of 44s., and that the workman was to work half his working life as a workman, he would have to save this £600 roughly in 25 years?—Yes, that is so.

3295. That would mean that he would have to save at the rate of £24 a year?—Yes.

3296. Do you think with a wage of £114, with the cost of living such as it is just now, that there is a margin of £24 that the workman can save?—Looking at it on the surface, the answer would be No, but in fact one does know that workmen do contrive to save. It is astonishing the number of men with the very low wages which have been available in the past who have contrived to save money and get on to land.

3297. Are you not always thinking of a standard of living and a condition of rural life from which we have departed now? In the days you are referring to rural life was a much more frugal and self-contained matter than it is to-day?—My view is this, that rural life was very much more frugal than it is to-day, but it will have to become frugal again. We will all have to become frugal, not this year perhaps or next, but it will come.

3298. You made the statement that in your opinion there was not likely to be any shortage of labour. What were you basing that opinion upon?—I think it likely that a great majority of the people who left agriculture for the war will return to it ultimately, and that a considerable number will come from outside.

3299. On what do you base that opinion?—Only on the general information that one collects in discussing the subject with one's acquaintances. I have not gone fully into the question—although I think I stated somewhat definitely that it was my judgment of the future supply of labour.

3300. If I put it to you that in the districts of the United Kingdom where the highest wages are paid the shortage of labour to-day is more acute than at any period during the war would that fact not seem to run counter to your opinion?—It would if it were not accompanied by other facts. I made an estimate of the amount of labour needed by the British farmer about the beginning of January of this year. I found that he had 33 per cent. more work to do than he would have to do in a normal season before the war. We have had a most trying season this year, and I think that has accentuated the apparent labour scarcity.

3301. My statement is not that there is a labour shortage compared with the demand but that there is an actual shortage of persons compared with the number in pre-war times, and that even in the highest paid districts there is a shortage compared with the worst conditions which prevailed during pre-war times?—I was not aware of this.

3302. Getting back to the question of the effect of larger wages on the acquistion of small holdings I take it that the small holder can only be really successful if he has got family labour?—A limited amount of family labour.

3303. If he has to go into the market and engage his labour on ordinary market conditions it is not such a paying proposition?—It then becomes very difficult.

3304. In the days when there was a demand for small holdings was it not the case that the small holder was very largely dependent upon his own family for labour?—That is so.

3305. The option to the families then was either to work at home on their own farm or take employment on other farms at low wages?—At the current rate of wages.

3306. Which were low wages?—Yes.

3307. Do you think it very likely that the sons and daughters of the small holder would be willing now to work the longer hours which are usual on the small holdings and refrain from the opportunity of earning higher wages with shorter hours when there is a demand for their labour in a better capacity elsewhere?—I think that the larger number of the sons and the daughters of small holders would always go away to service; one or two would probably remain at home.

3308. Do you think they would be likely to remain at home as they did in the old days?—That is a very difficult question to answer—perhaps not for the next year or two.

3309. What has been the tendency apart altogether from ideas of what may happen in the future? Have you any knowledge of what has been the position of the members of small holders' families—as to where they have been in the habit of leaving the small holdings in greater numbers than they did in the past?—I think I have answered that question already. I said that I had not any personal knowledge of the conditions prevailing on small holdings.

3310. With regard to the psychological effect of a guaranteed price upon the farmer, does your Department make any effort to keep farmers informed as to the likely course of world prices?—Yes, in addition to the issue of the existing market prices, we are constantly putting notes into leaflets and into the Journal indicating what the prospects are for certain commodities. It is done in quite a regular way.

3311. Do you think that an organised effort to provide better information on points of this kind would have as great a psychological effect as a guaranteed price of 60s. a quarter of wheat which you never anticipate the community will have to pay?—I could not answer that question. I think that both are desirable. If you ask me which would have the greater effect I can only tell you I cannot say.

3312. Do you think, from the point of view of the industry, it is more advisable that those engaged in it should be looking abroad and looking around them with a view to finding out what is the world position in connection with their industry rather than relying upon the taxpayer for a guarantee? Which is the more likely to produce efficiency in the farmer?—What seems to me to lie below your idea is this, that the mere fact that there is a guarantee will reduce effort on the part of the farmer. I do not think that is likely; I think he will regard the guarantee as a Government estimate of a sum below which prices are not likely to fall. I do not think that he expects, as a rule, to draw the guaranteed price.

3313. That price, in your view, ought to be sufficient not merely to cover the cost of production, but to cover a return on his capital and the payment of wages to the farmer himself—in other words, to leave him with a margin of profit?—I ought again to point out that when I made this estimate it does not attempt to be an average for all the wheat growing land of this country. It is confessedly an estimate which applies to rather good wheat growing land. What one would have to do would be to attempt an estimate with regard to land which is on the margin of wheat cultivation which would probably show a yield of something like 32 or 30 bushels an acre for a similar expenditure to what I have got here. So that I do not want you to think that the 60s. is necessarily based upon this particular estimate.

3314. If you take a return of 30 to 32 bushels with the cost of production you have got here, including a return on capital and a sum for wages to the farmer and a guaranteed price of 60s., it would mean that even getting near the margin of cultivation you cover more than the actual cost of production?—I do not think so. If you take off the interest allowed 6s. 10d., farmers' wages 10s.—that is 16s. 10d.—your reduction would still mean a loss.

3315. I understood you to say you had allowed for the implements, and so on?—Yes.

3316. That it was all spread over your figures?—Yes, it is spread over these figures here. The allowance—except in the case of horses—is about 15s. for interest. In the case of the horse it would make a very small reduction—only about £3 out of about £49. It would reduce the cost of horse labour, if you remove the interest, by about 6 per cent., and the other it would reduce by 16s. It would bring the cost of growing 32 bushels to very nearly the same amount as the estimated figure here.

3317. It would bring it to about 59s.?—Yes.

3318. You propose to guarantee him a price of 60s.?—What I say is that a price of 60s.—which is a guarantee that, in my view, would be reasonable—would have the effect of producing the increased acreage I have set out here, 400,000 to 700,000 acres of wheat.

3319. This guarantee, which would more than cover his cost of production, would leave the farmer who was farming on more favourable lines than others with a larger surplus?—Yes, but you cannot avoid that.

3320. So that they are guaranteed not only against loss but are guaranteed a certain amount of profit?—Yes.

3321. And in a good year they are allowed to take all the profit?—Yes.

3322. Along with that you propose no compulsion—you propose that the State should simply guarantee the farmer without requiring anything in return from him?—The assumption is that the State secures this extra area of tillage, and if experience shows that there is no extra area then, of course, the guarantee will drop.

3323. You propose to embark upon a policy which guarantees a price giving a fair proportion of profit to the producer, and at the same time the State getting nothing in return?—It has no power with regard to the individual producer.

3324. The State has no power to enforce the production of the additional area?—No, it has no power to enforce, but it might be considered desirable to take power, seeing that the object is increased tillage.

3325. I understood that you did not contemplate securing any power to enforce?—No, I did not.

3326. If such a guarantee were given over a certain number of years, and it had not the effect of increasing the amount of production, could you withdraw that guarantee from the farmers who were producing, simply because others had not been stimulated by the guarantee to any extra production?—Yes, I think you could.*

3327. You could in fairness say to the men who had done their duty, "We are not going to withdraw the guarantee from you because some of your fellows have not done their duty"?—You could say, "We are not getting what we anticipated from this guarantee, and therefore we do not propose to continue the policy."

3328. Do you think that politically any party would be prepared to stand up to such a policy?—I am afraid I cannot answer that question.

3329. *Mr. Dallas*: With reference to the guarantees and to the psychological effect they would have, you also stated that in your opinion the existing high prices would continue for some years?—Yes, that is my opinion.

* The witness misunderstood that question to which he states that he would have replied "Certainly not. But at the expiration of the period the policy of guaranteeing prices could be reconsidered and abandoned if that seemed desirable."

3330. Having regard to the existence of present prices, does it not seem to be rather a reflection on the intelligence of the farmer to suggest a guaranteed minimum of 60s., although I know you do not mean to reflect consciously upon him. A farmer has the full basis that every other business man has for thinking that prices will be high and will continue to be so for a number of years, and does there not seem to be something wanting from the point of view of the farmer if existing prices are not sufficient for him and the prospect is not sufficient for him, and that he must have something else than the positive knowledge that his business will be profitable for a number of years?—I think that, without any reflection at all upon the farmer, one might say that he does desire the guarantee. His attitude is that if the State is not in a position to guarantee him this sum he ought not to be asked to take any risk in his cultivation.

3331. The ordinary business man takes a risk, does he not, in his business?—He does.

3332. Some very big risks, too?—Yes, some very big.

3333. We have no demand from these other industries or manufacturers for State guarantees in their case?—No, but as I have tried to explain, we have two alternative industries in the case of the farmer. There is no dispute that grass farming is much the most attractive industry to the farmer himself. He likes working with live-stock. He likes to be independent of labour and to feel that his own exertions in managing his live-stock brings him in his own reward.

3334. It has been described as lazy farming, has it not?—It may be lazy or it may not be lazy, but there is no doubt it is attractive to the farmer, and when he comes to sum up the advantages of grass farming as compared with tillage farming he comes down on the side of the grass farming. That is what he has been doing for the last 30 years, and will continue to do after the war unless some artificial steps are taken to alter the position.

3335. If the Government were to accept your figure of a 60s. guarantee that means an advance of 15s. upon the present guarantee under the Corn Production Act?—Yes.

3336. In your opinion, do you think the result of that would not be an immediate very large demand on the part of the agricultural labourers for a large increase in their wages?—I cannot answer that. You know the position very much better than I do, but I should have supposed that there would not be this immediate demand for an increase, because the farmer's point—as far as I understand it—is that the increase to the labourers has already been secured. The first figures contemplated by this Corn Production Act were 25s. and 60s., and the labourer, of course, has got much above his 25s.

3337. I do not agree with you there, but I do not wish to ask any more questions?—That is the position as I understand it.

3338. *Mr. Cautley*: It has been suggested that farmers have been compelled to purchase their own improvements recently. Is it not the fact that the Agricultural Holdings Act provides against it?—It does provide a remedy.

3339. Does it not provide that he ought to be compensated for any improvements as well as for unexhausted manures, and that sort of thing?—I think that the working of the Act in different parts of the country is difficult, and in general when a tenant comes to attempt to extract the full value of his improvements it is very difficult for him to get it.

3340. Does not the Act also provide for compensation for unlawful disturbance?—That is so, but there again it is very difficult to get full value.

3341. There has been, I think we know, a good deal of disturbance caused by landlords selling out their land and giving vacant possession?—Yes.

3342. Have you seen the Agricultural Land Sale Bill which has been discussed in the House of Commons to-day?—No, I have not examined it.

3343. That Bill provides that all notices to quit should be void on the sale of agricultural land?—I have seen in the papers that it is being discussed, but I have not examined the Bill.

3344. In your opinion you consider that the risk of tillage farming is very much more than that of grass farming?—Very much more.

3345. Have you taken into account the risk of drought and high prices of stores in grass farming? Were those risks present to your mind?—Yes, I had taken those into consideration.

3346. Of course your experience is not as a practical farmer?—Do you mean that there are more risks in grass?

3347. No, not more, but the differences are not anything like as much as you say—certainly on good land?—If you choose your land for each type it is all right.

3348. Really what I want to ask you about is your figures. Take Appendix A. In the first place I notice you adopt the plan of estimating the cost of producing an acre of wheat by the average farming operations and charge against them the proper cost?—Yes, that is so.

3349. If I may say so, I agree with you; I think it is the only way. If you have the actual figures of actual cost are they apt to be misleading? I will put it in this way: Supposing you have the cost of growing a single field, does not the crop that you get depend in a great measure upon the weather at the time the various operations are done?—Yes.

3350. If you plough the land at a particularly suitable time, will you not get a better crop than if you plough it at an unsuitable time?—Yes, estimates with regard to single fields are subject to very great variation.

3351. Does not the same apply to the harvest? You can cut a field of wheat one day and carry it in the next in some cases?—Yes, in some parts of the country.

3352. It has been done lately?—Yes.

3353. In other cases you may cut the field next to it two or three days after that, and the corn may be out for six weeks?—Yes.

3354. That is an extreme case, but it has happened in my own experience?—Oh, yes.

3355. You agree that the estimates with regard to single fields and single farms are very misleading?—Yes.

3356. Unless you get the estimate on the same farm for a number of years can you arrive at any conclusion at all that is worth anything?—Not for that farm. You want to get the figures for a series of years for a particular farm before you can draw any conclusion from it.

3357. Supposing you were to take the accounts of 100 or your 1,000 farms in different parts of the country, would not the land be so different that you could form no proper estimate?—With the accounts of 1,000 farms you could group them into classes and level them out and get at something.

3358. At any rate that would not be so reliable as the system you adopt?—I would not like to say that after the criticism it has met with this afternoon!

3359. I do not agree with your figures and I do not agree with your plan, but to a man of experience is not your system the best one of getting at the cost of growing an acre of wheat?—I think it is.

3360. Coming to your own figures, the first point I would draw your attention to is that you bring out a result which makes the present cost of growing wheat only 80 per cent. more than the pre-war cost?—Yes.

3361. Does not that rather raise a question as to whether you are right or not in that?—If my rates of wages are right I am right.

3362. I am going to test that?—I have been told that they are wrong, but if they are right this must be the relationship.

3363. According to your figures does the cost of growing the wheat consist mainly of labour, horse-keep and the use of implements?—Horsekeep and wages are the two heavy items.

3364. And a certain amount for the use of machinery?—Yes, that is so.

3365. Would you agree with me that wages have gone up about 200 per cent.? I cannot get an exact figure but I put this one case to you in Essex on which I found my statement. In Essex the pre-war rate of wages was 15s. for 63 hours—this has come from an Essex farmer, and Mr. Dallas agrees. For 54 hours now it is 38s. 6d. Adding on nine hours to make good the number of hours before, bringing it up to 63; at overtime at 10d. an hour it makes 7s. 6d., and adding 7s. 6d. to 38s. 6d. it makes 46s., as against 15s. pre-war, which is a little over 200 per cent.?—That is one particular case. Mr. Duncan assured me that the figures were the other way, but what I want to point out is if you know of any particular figures which are operative in any county and will fit them into this estimate you will get a comparison.

3366. No, I am not going to do that. You brought out a total of only 80 per cent. increase, and I am pointing out to you that so far as labour is concerned—I do not know what is the heavier item, labour or horse hire?—Horse hire probably.

3367. Horse hire and labour are not very far apart, and if labour has increased 200 per cent. do not your own figures show that the charges for horses have increased 100 per cent.?—Yes, it comes out at 5s. as against 2s. 6d., that is 100 per cent.

3368. Yes, and I think you will agree with me that the use of threshing machines and purchase of instruments have increased a good deal more than 100 per cent.?—These are the rates for threshing machines which were in vogue at the time I made my estimate.

3369. The only item that remains constant is the rent, all the others have increased 100 to 200 per cent.?—It does not shake my estimate. I am quite prepared that the Commission should take their own figures and apply them and bring out results which are quite different from mine, but I remain pretty well where I was at the beginning. I say this is how the cost works out, taking my figures for wages, &c.

3370. Let us go a little further. What sort of land is this estimate for?—Heavy loam.

3371. Ploughed with two horses?—Yes—there is no three-horse land in it.

3372. You have excluded the three-horse land and the four-horse land?—Yes, I have.

3373. Do you regard that as though that land ought to go back to grass?—No, but I regard the two-horse land as being nearer the average than the three and the four, although there is a large proportion of wheat grown on three- and four-horse land in Essex.

3374. You have brought out the cost of production at 60s. for two-horse land?—Yes.

3375. Have you formed any estimate what it would be for three-horse land?—I have not actually made an estimate. I should guess, if I did make up an estimate, that it would come out at about 65s.

3376. I suggest to you it would be 20 per cent. more?—The method of working would be different.

3377. What is your view of what ought to become of the three- and four-horse heavy land?—I hope a great deal of it will remain in wheat.

3378. How can it at a price of 60s.?—I have said I do not anticipate a price of 60s. I am talking of a 60s. guarantee, but I anticipate a much higher price.

3379. According to the world's markets, you mean?—According to the world's markets.

3380. Therefore you think that three- and four-horse land must take its chance in the world's markets?—When the three- and four-horse land came on a bad season, and there was a likelihood of a heavy loss, and coinciding with that heavy cost of tillage there was a world price lower than the 60s., the farmer would at any rate get his guaranteed price.

3381. You cannot hope to grow corn on three- and four-horse land at the same price, and your guarantee for the best land is 60s. You have estimated a yield of 4½ quarters on that land?—I have.

3382. You do not suggest that we in Sussex on our heavy clay land can grow anything like 4½ quarters to the acre?—Not in Sussex. You should grow four quarters.

3383. I have a letter from a man who has threshed in my district for 50 years. He says that the average is three quarters. What is to become of land such as that?—All I can say is it is time he ceased farming.

3384. Do you mean you do not believe it?—No, I do not say that at all. What I mean is, if in 50 years he can only get an average of three quarters, the man must try something else than wheat on his land.

3385. What did you mean when you said that you were doubtful if even 100s. per quarter would secure 4,000,000 acres of wheat in England and Wales?—I meant that the area of land over and above about 3½ million acres in England and Wales which would be available for wheat growing would be of such poor quality and so difficult to work that even at a price of 100s. it would not be kept in cultivation.

3386. Have you farmed yourself?—I have—years ago.

3387. Would you not agree with me that anything like a price of 100s. would make a farmer's mouth water, and that he would jump at the idea?—With three quarters of wheat I doubt whether it would make his mouth water, on four-horse land.

3388. Not even then?—I doubt it.

3389. Let us go back to your own figures. Is the land in regard to which you have given the figures land that requires to be fallowed after some years?—No; it is wheat after mangolds.

3390. You never have a fallow?—Not in this particular case.

3391. Has not the bulk of the land in this country to be fallowed at some time or another?—No. About one-tenth of the area that grows wheat, I suppose, is fallowed.

3392. You mean a regular rotation?—Yes. About 400,000 acres of fallow——

3393. That is bare fallow—not roots?—But of course, this land that I refer to is root fallowed.

3394. Do you charge nothing for the roots towards the wheat crop?—Yes, I have charged that here.

3395. Where?—I think you will find that I am not at fault there. I charge two-fifths of the cost of the cleaning crop.

3396. Assuming that the net cost of the cleaning crop was £3 in pre-war times, do you think that £1 4s. is enough for that now?—I think so—it should be.

3397. Do you really as a practical farmer tell me that that is anything like enough?—I do not like to make much loss on my roots as a practical farmer.

3398. You do not?—No, I should be very sorry to.

3399. You have a different farming experience from mine. How often do you estimate the root crop has to be ploughed?—In this particular case not more than two ploughings—probably one preparing for your mangolds.

3400. For land that has to be fallowed six or seven times your estimate is altogether wrong?—My estimate does not apply in that case; that is the way I put it.

3401. Unfortunately in my experience I have ploughed my fallow six or seven times where we have had to fallow land so that the cost came out very much higher than yours?—Yes, that is the very great difficulty of putting down any sort of figure. You can show under certain conditions that it is

much higher and under other conditions that it is much lower.

3402. I understood that your figure was put forward as the average cost of growing wheat?—It is my opinion of what the average cost is. I grant that in your case it is much higher, but in the cases which Mr. Duncan indicated it was probably lower, and neither of you is satisfied with my estimate.

3403. What is the rotation of the farm of which this is a sample?—It might be either a four- or a five-course rotation.

3404. Two crops of wheat?—No, only one crop of wheat and one crop of barley.

3405. Do you not grow wheat after seeds?—I take the wheat after mangolds and with seeds.

3406. After the seeds what do you do?—Oats or wheat—probably oats.

3407. Take the first item of your Appendix A., "Ploughing one man two horses three-quarter 10s. 8d. pre-war, £1 4s. post-war." In what time is that?—Three-quarters of an acre in a day.

3408. Do you suggest that £1 4s. a day is a proper price now for ploughing three-quarters of an acre?—Yes, for single ploughing; it might easily be twice that.

3409. You know that they charged 30s. a day at the Agricultural Commission?—I know the Food Production Department charges this amount.

3410. I can only speak for Sussex. Is it 30s. an acre in Sussex?—I could not speak for Sussex, but I believe it is there or thereabout.

3411. Your estimate is £1 4s.?—The difference was because the Food Production Department's horses were called in to do additional work, and if you hire labour you must expect to pay more for it. This is an estimate based on doing it with your own teams.

3412. You put 24s. for ploughing and 24s. for the cleaning crop—that is two ploughings against the wheat crop?—Yes, against this wheat.

3413. You put that forward as a practical proposition for a practical farmer to adopt?—For growing wheat after mangolds.

3414. Do you think he would keep his land clean by that method?—Yes.

3415. I have a number of estimates of what it does cost, going up to £16, £17 and £18 an acre to grow wheat?—I think that is quite likely. It may easily amount to £16 or £17 an acre at the present time—quite easily.

3416. I would only ask you one question with regard to your estimate as to cattle. Will you turn to Appendix B, Summary 1?—Yes.

3417. I am going to ask you about the six-months old calf. How do you bring him up?—He sucks a cow; the cow runs on poor grass land.

3418. You take his value now at £3 to begin with?—Yes.

3419. Then you say at the end of six months he has only cost £10 3s. 6d.?—Yes.

3420. Could you tell me how much milk you allow him?—These particular calves are with their mothers which are cross Galloway cows.

3421. Are two calves suckled by one cow or only one calf?—Generally one, sometimes two.

3422. Supposing the cow is giving two or three gallons of milk a day?—They are Galloway cows not stall fed.

3423. This is a special way of bringing up calves with their mothers in the North of England?—Yes.

3424. These figures do not apply in the ordinary way to bringing up calves either on the bucket or in some other way?—I think an Irish farmer would bring them up cheaper. I quite agree that in some parts of England it would cost much more; but many of our store cattle must be brought up even cheaper than this.

3425. If you bring them up on milk I suggest to you it is quite impossible to bring them up for £10 in the six months?—Not if you value your milk at 2s. 3d. a gallon. The way it is done is by ascertaining what it costs to keep a cow and charging the cow's keep against the calf.

3426. I understand that system refers to the North of England?—Yes.

3427. You have no estimate at all to put before us what is the cost of bringing up a calf in the South of England at the present time?—I have not brought an estimate here.

3428. *Mr. Ashby*: Taking your agreement with Mr. Cautley that this method of estimating the cost of wheat production is the only feasible method, we will say, at the present moment, and that it must be based upon the average cost, is it not quite unfair to use the figures of any one single instance and apply them to items in this estimate unless you are prepared to submit a large number of single instances which would give you in the total an average similar to this?—Yes, obviously. If you apply in any single instance your figure to this particular estimate you would get a figure which would only apply to that particular instance or to the conditions of the particular instance. This is an attempt to reduce to figures an opinion of what is the probable cost. Nothing more.

3429. With regard to the method of working, what is your reason for altering the number of horse days in the post-war period?—The Saturday afternoons.

3430. Turning to your estimate on the cost of production of beef, do I take it that there is no product of any kind from the cow during the whole of the year except the rearing of the calf?—In this particular case none.

3431. You charge £3 for the six months she is rearing the calf and £3 for the rest of the year?—Yes.

3432. It is really £4 10s. 0d. per annum for keeping a cow?—Yes. I have given in the details the actual cost of keeping the animal. You will see the depreciation in the cow is charged against the calf at birth.

3433. It makes the total amount for keeping the cow and the calf £6 a year?—Yes.

3434. That must increase the cost of the production of the calf by £6?—Yes.

3435. And with the addition of the other items it comes to £10 3s. 6d.?—Yes.

3436. Is there any amount for interest in these general maintenance charges?—The general maintenance charge includes the upkeep of the hedges and the small repairs that are wanted about the farm which are not done by the landlord. It includes risks and small expenditure which will be incurred in looking after young cattle.

3437. Does it actually include anything for interest on the expenditure calculated for the six months?—No, it is only supposed to cover general risks of calving.

3438. The total profit on the animal consists of the difference between the cost and the price realised, plus 5s. for management for each six months' period?—Yes, something like that.

3439. That is the case also with the second group—the three-year olds?—That is so.

3440. There are one or two statements in your evidence-in-chief that I should like to deal with. In the second part of paragraph 2 you say: "With much higher costs the risks from bad seasons are increased." Would you develop that a little?—What I was thinking of was this: If you had spent instead of £2 say £3 or £4 in getting your wheat crop into the ground, and that wheat crop is destroyed in the winter a larger sum disappears. That is what I had in view.

3441. So far as the risks arise from weather there is no greater risk, irrespective of what the prices are except the amount lost?—No, except the increased expenditure on the production, which may be nullified by the weather.

3442. I suggest to you that the important point with regard to risk is the relative amount of the risk to the profit?—It remains much the same.

3443. No, I think not. Assuming that your average cost of production is to be relied upon, there is now a much greater rate of profit than in pre-war times?—Yes.

3444. Therefore the real risk has diminished, because over a series of years you have greater profits to cover the risk. The profits are in a much greater proportion now than the risk?—Yes, that is so, measured in terms of money, of course.

3445. So that the total amount of risk in any given year is no greater because of the increase in profits?—Over a series of years that is so.

3446. If the profits now are greater the percentage of risk is less?—Yes, over a series of years, and provided you do not get two bad years in succession, which may knock out the farmer altogether.

3447. In paragraph 13 you say: "The gross value of the produce is more than doubled, the food provided is increased four to eight fold, and the wages fund is increased in a still higher degree." That is with reference to tillage?—Yes.

3448. I can understand that the total amount of money that must be spent in wages on certain arable farms is greater than on certain pasture farms, but I think it is rather an important question as to whether the amount per man will be greater or less?—As the odds are in favour of grass farming the amount per man will be higher on the grass than on the arable—that is the probability.

3449. The financial interest of both the employer and the employee is to develop grass farming?—Yes. If the amount of land were unlimited and the number of persons wanting employment or wanting land was limited then go in for grass farming.

3450. In your next paragraph you say: "In comparison with the gross value of the produce, farming capital is very small." Are you thinking of the annual produce?—Yes, I am thinking of the average gross value on a four-course rotation, which would be before the war something like £6 10s. or £7. Before the war the capital of the farmer would have been about £8 an acre.

3451. Would you suggest, comparing agriculture with some other industry, that that statement is true?—It is not true. In agriculture, however, your capital is locked up for the year and only turned over once. In other industries, in which there may be only a small amount of capital, the capital is turned over again and again in the course of the year. That enables a man with a relatively small sum to carry on a very large business.

3452. I would like you to go to the end of paragraph 14 which I think contains some very important statements. You say: "Much of the farmer's profit goes into the improvement of his land. Improvers of land, whether landlords or tenants, always benefit the community." That is one statement. Then you say: "Very frequently they fail to benefit either themselves or their heirs." Seeing that in both cases the investment is a private investment, and that the community cannot benefit unless these people benefit, who are the channels between the investment and the community? How do you square the two?—I, perhaps, had in mind particular cases there. I had in my mind the case of an ardent land improver who spent a great deal of money on improving his estate. There is no doubt, I think, that the labourers and the farmers on that estate benefited by the sums that were laid out by the improver, but he himself was not benefited, nor have his heirs been benefited.

3453. I also had in mind certain individual cases. One case is this: A fairly vast estate was owned by a prosperous man in the early 'seventies. He built some very fine farm buildings for his cattle, buildings more like ecclesiastical buildings than anything else; the consequence is that the rent has never paid him one per cent. on the cost of those buildings. He was regarded as a great improver at the time, but he did as a matter of fact waste his money, both for himself and for the community?—That illustrates the type of improvement in which a great deal of money has been wasted, but there has not been much money wasted in draining and liming in this country, and those are the improvements I had in view chiefly.

3454. Your statement is really limited to what one might call the tilling improvements?—Getting the land into the high condition.

3455. *Mr. Batchelor*: In regard to your figures in connection with the rearing and fattening of cattle, am I right in understanding that these figures are all based on cattle which do well? You have made no allowance for deaths?—I have made no allowance for wasters; but I have put in a risk figure. I think I stated that. My own estimate is that in feeding large numbers of cattle you want to allow something like 2 per cent. for risks.

3456. In your estimate of the cost of production of wheat, would you consider 4 to 4½ qrs. to be an average yield per acre on this particular land that you refer to, which I think must be rented at about £1 an acre, or do you think it is too high?—25s. it is given at, is it not?

3457. That is including rates and taxes, and I assume the rent to be about £1?—Yes, about £1 an acre.

3458. Would not you assume that an average yield of 4 to 4½ qrs. on the land is rather on the high side?—This land is well tilled and has had plenty of manure, and I think given a good climate in the eastern counties 4½ qrs. is a fair average—in fact, as I have already stated, we ought to get something like 38 bushels.

3459. And that on land rented at about £1 an acre or 21s.?—A little more than 21s.

3460. You referred to the farmer's desire to be left alone. Would that include doing away with the present Corn Production Act, under which there is a minimum wage guarantee to the labourer?—I had not that specially in view. I made the statement in a general way. What I was thinking of was the farmer's general attitude to Government Departments during the past three or four years, and that the feeling among farmers generally is that they have had quite enough of us officials.

3461. Would not that include doing away with the minimum wage?—I had not that in mind, but I expect it would.

3462. *Mr. Overman*: I want to take you through your estimated cost of keeping a horse. I think that is where the difference between you and Mr. Cautley arises. Your quantities as to oats are all right, but what about the charge of 5s. a bushel? You know that all Costings Committees and Commissions take the price not at the actual cost of production, but at the market price less the cost of marketing expenses?—Yes, I know that.

3463. Supposing I grow 100 acres of oats, are you going to take all my profit off that 100 acres and try to put it against the wheat?—On this system of calculation you would have to take it off the horse corn. I allow nothing for the horse corn except the cost of growing.

3464. We do not agree on that?—I know we do not.

3465. I see you have put down 14 lbs. of hay a day for six months. Have you ever weighed the hay and chaff a big horse eats?—I have not myself, but it has been pretty frequently weighed.

3466. I weighed it myself last year, and I know they cannot live on less than 28 lbs. of hay and hay chaff. A cart-horse has to have his stomach filled, and he cannot exist on 14 lbs. of hay a day. That at one time was the Army ration, and they proved that the horse could not exist on it in the Army, and they increased it to 20 lbs.?—I allow 7 lbs. of straw a day in addition.

3467. That is 21 lbs., and he cannot live on that. Now, take the harness and repairs. You put down the post-war cost of that as 15s. All I can say is, I have

a bill in front of me in respect of my farm on which I have 40 horses, and those items come to £80 16s. 6d. for the whole year. That is, roughly, £2 a horse. I have also in front of me an estimate from an industrial area, that is coming before us shortly, where they put it down at £3 a horse. I live in a countrified district where the harness-maker's bill is probably cheaper, but in an industrial area you will find it is very nearly £3 a horse?—Was the harness pretty well worn?

3468. No, it was well kept up, and it included renewals. I point that out to you because I feel sure that your estimate with regard to horse labour is absolutely too low, and that is where the difference comes in in all the evidence you have given as regards the cost of growing wheat—it is too low?—I may say that I was uncertain myself with regard to that figure for harness, and I am quite prepared to hear that you think it too low.

3469. These are figures that I can prove, and if my figures are correct it brings up these items considerably. The question of charging the oats at 5s. a bushel, the cost of production, is a point we shall not agree on, so I am afraid it is no use going into it any further?—No, but I do not think it matters which way it is done so long as you understand the principle.

3470. *Mr. Cautley*: If you are going to fix a guarantee upon it it must matter?—I do not think it does so long as one understands the method.

3471. *Mr. Overman*: It is not many weeks ago when you and I were on a Committee calculating the cost of feeding cattle in the winter months?—That is so.

3472. I see for the last six months in the case of cattle 34 months old you put the cost at 133s. 3d. a cwt.?—Yes.

3473. We thought in our calculation that during that period a bullock would put on about a couple of cwt.?—Yes.

3474. The cost of a store bullock—take a 10 cwt. bullock—would be 80s. a cwt.?—Yes.

3475. If you take your 10 cwt. bullock at 80s. a cwt., that is £40, and adding the other items it brings him to £53 3s. 6d.?—Yes.

3476. He grows into a 12 cwt. bullock, and the average price that we thought of would work out at 87s. 6d., would it not?—Yes.

3477. That brings him to £52 10s., or a loss of £1 3s. 6d.?—I had this same estimate in front of me at the time, and I was reckoning for a rise of 10s. above store prices and for a gain of 2½ cwt. to make it balance.

3478. Do you honestly think that that is a fair figure as an average?—I think it is good, it assumes very good management.

3479. I suggest to you that 2 cwt. is as much as you can reckon for on the average?—Yes, about 2 cwt.

3480. That brings the loss to £1 3s. 6d., according to the evidence we had on that Committee. From all these deductions it looks as if we are going to lose money over everything?—That is the conclusion which has been drawn by a good many members of the Committee.

3481. You have calculated that the farmer's capital employed on an arable farm was about £15 an acre?—What I said was that a small farmer entering a farm could not do it on less than £10 to £15 at the very cheapest.

3482. How much capital do you think the ordinary farmer farming 500 to 1,000 acres employs?—He employs about the same—I should say £12 to £15.

3483. On an arable farm?—Yes.

3484. You would not be surprised if I told you that I took over a farm last Michaelmas, and the valuation came to about £20 to £25 an acre?—No, I am not surprised to hear that. Just now you can easily expend up to £25 an acre. Taking all your implements new and paying for your grass and all the other things; you cannot do it under £20 or £22; but I was thinking of the case of a tenant who had his money invested and had adopted a cautious system of valuing from year to year, and I think I have adopted the right figure when I say the capital invested is between £12 and £15 an acre, or thereabout.

3485. *Mr. Rea*: In your evidence-in-chief in paragraph (3), you say: "From the above figures and from the present outlook (given a guarantee of 60s.) I should be inclined to estimate that we might grow from about 2,000,000 to 2,200,000 acres of wheat and 6,500,000 to 6,700,000 acres of total corn annually in England and Wales during the next five years." Do you think those figures would be enough to safeguard the country? I suppose you look upon the cultivation of wheat partly from the point of view of the security of the nation in case of any future wars, or anything of that sort?—I have not taken that much into account. What I am anxious to secure is a sufficient area of land that would enable us rapidly to increase our tillage land if necessity arose, as necessity may arise from other causes than war. Necessity may arise from bad harvests, for example.

3486. That is about the acreage which you think, considering the nature of the land, could be economically dealt with, or ought to be economically dealt with?—Economically employed during normal times, and if abnormal conditions arose one could rapidly expand to another 1,000,000 or 2,000,000 acres of corn.

3487. I think there is a misprint in paragraph 10. I refer to this for the purposes of correction. You say: "The country is likely to pay a price for its mills."—That should be "milk."

3488. Yes. At the beginning of paragraph 11 you say: "Tillage farming represents a very different set of conditions—a heavy outlay of capital, a high wages bill, more risks from weather, very uncertain prices, much harder work." Do you apply that to the working farmer only or to all farmers generally?—I think it applies to all farmers.

3489. And to the farmer who does supervision work also?—Yes, he has to be pretty active on tillage land.

3490. I am told by a farmer that he has to work much harder as a grass farmer?—Possibly he has to look after his sheep himself.

3491. In paragraph 16 you refer to small holdings and you propose to increase the existing number of small holdings of 20 to 100 acres. Do you consider so small an acreage as 20 an economic unit for a small holding?—Twenty acres of good land in the South may be equal to 100 acres of high land in the North.

3492. Will 20 acres enable you to keep horses going?—With special cultivation, not by ordinary cultivation. It is on the low side, I agree, but I thought that one might go down to 20 acres as a minimum.

3493. You would not put 50 as the minimum?—I prefer the 50, 60, or 70 acre size.

3494. In the last part of paragraph 18 you say: "Properly applied such methods of assessment would serve as a stimulus to tillage on the smaller farms of which the occupiers might not be affected by income tax." I do not quite understand your reason for that?—That refers to paragraphs (*c*) and (*d*), the rating affecting small farms which the income tax does not touch. That is what I was thinking of. Any inducement given to the landowner to secure tillage would be reflected on the smaller farmer and not touched by the income tax; that was all.

3495. You refer to the remission of income tax?—Yes, and also to the rating. The rating affects the small farm.

3496. You are very keen on getting as much land cultivated as possible?—I am.

3497. It means getting back a lot of land into cultivation which for the last 40 years has been laid down to grass?—It means keeping most of the land in tillage that we secured in 1918.

3498. In the case of a great deal of that land cottages and buildings have been allowed to fall into disrepair, almost into ruins, in some places, have they not?—That is so.

3499. It has been quite impossible for the tenants and impossible also in many cases for the landlords to do the necessary building at the present cost. Have you thought whether any scheme could be evolved whereby the owner could get money on preferential terms to enable him to do the necessary building?—I think the suggestion which you make has been put up and definitely rejected, but looking at it from the agriculturist's point of view I think it would be very desirable.

3500. That does seem a very, very real difficulty in keeping this land in cultivation?—Yes, it is a real difficulty.

3501. I know a great many farmers told me last year that they had great difficulty in providing cottages for their labourers and stabling for their horses, and so on, and if they are to keep the land in cultivation, you do not see any prospect of affording them any aid in that respect?—No. As I say, the proposal was put forward, but it has been turned down.

3502. Would you lay much emphasis on the growing of corn for market purposes, or so long as the land is kept in cultivation do you think that is enough?—So long as the land is kept in cultivation, and the men and the horses and the buildings are there, that is all one wants from what you may describe as the safety point of view; but it would appear to be necessary to grow all the corn we can in the next few years because of the outlook with regard to the world's supply, which is bad.

3503. So is the outlook as regards the output of meat and feeding stuff?—Yes; but we can do very much better without meat than we can without bread.

3504. We have to have feeding stuffs to rear the stock that we have. Take the four-course rotation. Instead of four, divide it into eight. Do you think it would be good from the national standpoint to have, say, four-eighths growing corn, one-eighth growing forage crops for stock breeding purposes, beans, peas, and so on, and so save the import of artificial feeding stuffs?—I think that would be desirable in the immediate future, when the difficulty to which you refer is very acute.

3505. There has been a good deal said about the cost of horse keep and horse labour. Have you considered the relative cost of horse and tractor labour?—Not quite recently. I think it would be useful for you to get information from the Food Production Department as to the cost of tractor work. About a year ago when paraffin was expensive horse labour was much the cheaper.

3506. Do you think we could really take the figures of the Food Production Department as being of any use for the future?—No; but I think they could give a fair idea of what the cost would be to the farmer.

3507. Of course, the figures were correct, no doubt, as they got them out, but they were very, very high with a view to unskilled driving?—Yes, that is so.

3508. So that we should want something more accurate to help the farmer practically?—I think somebody in the Department could make an estimate that would be useful to a practical farmer.

3509. I should think that would be a good thing for us to investigate?—We know the cost of machinery of paraffin and labour.

3510. You have spoken about the guarantee with regard to wheat. Would you limit it to wheat, or would you include other cereals?—I think it would be impossible to give a guarantee for wheat without giving a guarantee for oats, having regard to Scotland and Wales.

3511. You would include oats?—Yes, I think it would have to follow wheat.

3512. In your cattle feeding report, I see in the last paragraph you give £7 6s. 8d. as the post-war cost of fattening a 23 month old beast for six months?—Yes.

3513. We have often been told that that is too large an amount. Do you consider it an economic quantity, having regard to the present price of cakes?—I would not use so much myself, but if you take roots of average quality you will not get the increase I estimated for—namely 2½ cwt.—in the time, with less than that quantity of cake. You must remember we are feeding against time, and we know almost exactly what cattle will gain in a given period.

3514. In getting these figures out, you have based your estimate upon home grown cattle which presumably have been making a regular rate of progress?—That is so.

3515. So that the cost at any period will be relatively less than it would be in the case of purchased cattle, which take several weeks before they begin to improve?—That is so. I may say these figures are based on the cattle weighings at Cockle Park Farm, Northumberland.

3516. In the case of bought cattle the cost per cwt. would probably be greater than the figures you have given us here?—Yes.

3517. In any case the cost per cwt. would be greater because it would take a longer period before there was a similar increase?—Yes.

3518. You have explained the system that is adopted through these cows rearing their calves?—Yes.

3519. Do not you think that system might with advantage to the country be very much extended to second-class grass land and arable land? It wants a mixture of arable land with grass, and it might be an inducement on second-class land to plough it up, not so much for the sake of corn as for the sake of stock food growing?—Yes. If my wish were to be fulfilled that we should have more tillage farming, I think it is quite likely that we should have a development of that system which you are referring to.

3520. You have a lot of similar land in the North which is laid down to grass?—Yes.

3521. You think it would be profitable to the farmer and the nation if this system were extended and a good deal of that land ploughed, the principal object being to rear stock?—Yes.

3522. In view of all the differences of opinion which have been expressed as to the cost in different areas, do you think at the finish any definite figure could be put forward as being an average figure?—The Commission could base estimates on average figures relating to specified conditions.

3523. *Dr. Douglas*: We have had it brought before us by several witnesses that the land of the country has become a good deal deteriorated owing to the scarcity of labour and so on during the war. Do you agree with that opinion?—Yes, I think that is the case. I have not had an opportunity of seeing much of England this year, but I did see a great deal of it last year, and certainly in the late autumn last year the want of labour was responsible for a very foul condition of the stubbles.

3524. Do you take that into account at all as an element in your post-war cost of production?—Not in this particular case of wheat growing.

3525. It is a factor that will be operative at some time?—It is.

3526. With regard to the feeding and rearing of cattle, let me pursue a little further Mr. Rea's questions to you. This estimate of yours is based upon a state of matters that does not often exist?—It exists quite commonly in Northumberland and Cumberland.

3527. There is a very large proportion of the cattle feeding of the country which has to be carried on under a different system?—Yes, the ordinary feeding of cattle in the country consists in the purchase of stores in the rearing districts by the feeders.

3528. So that there is a more expensive method which is essential for a considerable part of the production?—I do not think it could have been more expensive, because if you take my estimate of the cost of rearing these cattle before the war it left a very narrow margin of profit. My conclusion from that is that store cattle must have been raised at lower rates in a good many other districts than it

was possible to raise them at in Northumberland. As I have indicated, I think that in Ireland they probably could be raised at a considerably lower figure.

3529. You think the usual method is a more economical one?—It is very difficult to say unless one specifies the precise locality. I should say that in Northumberland the method is the most economical for the district, but if you take the Eastern Counties I should suppose that the more economical method—Mr. Overman will correct me if I am wrong—is the purchase of stores.

3530. That is an essential method; they could not do otherwise?—Yes, they could do otherwise; they could rear.

3531. Is their land suitable for that?—I know arable farms where men have had a certain amount of success in rearing cattle, but it is exceptional.

3532. Your figures show a very considerably increased cost for winter feeding over summer feeding?—That is so.

3533. Does that mean that the rearing of cattle by arable methods as distinct from grazing would involve a higher cost of production?—Not if, as Mr. Rea indicated, there were associated with the arable land a considerable area of second and third rate pasture.

3534. My point is that if a lot of the land which is now used for grazing—second and third rate pasture—were to be ploughed up, you would be more dependent upon arable products for the feeding of cattle?—In practice what would happen on farms of that description would be that you would gradually improve the second and third rate pastures, increase the stock on the pastures, and break up the third-class land as you increased the stock.

3535. It has been suggested sometimes that the extension of education would lead to a greater development of the arable area as compared with grass farming. You have had very considerable experience of administration, have you not?—Yes.

3536. Would you say generally that in order to be accepted by the farmers of different districts, the education given must adapt itself to the existing systems of farming rather than seek to change them?—I think that in general your statement is correct, but I do think if you get hold of your farmer young, when his mind is adaptable, you can influence him in one direction or another, and that the spread of education would tend to develop tillage farming by pointing out the advantages which tillage farming offers over grass farming, having regard to the different systems that can be adopted and the different opportunities which it affords for meeting various markets.

3537. Education is just as capable of improving grass farming as it is of improving tillage farming, is it not?—In the case of the individual, I think that education will do more for the man who is engaged in arable farming than it will for the man who is engaged in grass farming; but education in the mass will help to improve grass more rapidly than it will tillage, for the reason that the direct method of improving grass is by manuring suitably, and it is easy to give directions for the suitable manuring of grass land. Therefore, through the action of a single competent adviser you can rapidly get a good result in the case of grass.

3538. So that it would not favour one more than the other?—I think the first effect would be on grass farming, because you can more rapidly work through advisory officers than you can in the case of tillage farming.

3539. With regard to the suggestions you made about the remission of taxation, you recognise, I think, that that would operate quite unequally upon the smaller as compared with the larger farmer?—Yes, quite.

3540. I suppose you agree that a very large proportion of the farmers in the country pay no Income Tax at all under existing rebates and allowances for family, and so on?—Yes, that is so. Up to 100 acres or thereabouts I suppose they pay little or no Income Tax.

3541. So that it would really be a cheapening of production to the larger farmers with no corresponding advantage to the smaller farmers?—That is so. I recognise that fully.

3542. It would be an even greater disadvantage to the smaller farmers by reducing the liabilities of their larger competitors?—That might be so.

3543. As to the question of transport, you spoke of the advantage of transport for the marketing of certain perishable articles and smaller products. Is there anything more in it? Does it really affect the position of the main products?—Oh, yes.

3544. What are the defects so far as corn and cattle are concerned? Are the present transport facilities insufficient?—So far as cattle and corn are concerned, I still think that the journey to many railway stations is much further than is good for the industry, and in the case of potatoes, for example, the difficulty of transport into the London market every year is the cause of many complaints from the farmers of South Lincolnshire and adjacent districts.

3545. Is that because of the railway system?—Because better transport is wanted.

3546. What would be the remedy for that?—Increased trucks, and I should also think that in some of those potato-growing areas they want more railway stations. They have very long distances to cart at present.

3547. Is there any scheme that you are aware of under consideration in that respect?—I am not in personal touch with any scheme for transport, but I do know that the Board are paying very close attention to the subject at the present time.

3548. *Mr. Lennard*: Can you tell us whether, in your opinion, as you have studied the conditions in Germany recently, it is probable that Germany will in future import more cereals than she did before the war?—I saw so little of Germany that I hesitate to offer an opinion with regard to that; but what I did see indicated that the Germans in the occupied territory were working very hard indeed on the land. Germany is aware of her debt, and the agricultural classes in Germany are, I think, likely to do everything possible to supply the home market. I think that Germany will not depend upon imported grain to a larger extent than she did before the war.

3549. *Mr. Smith*: Could you tell us whether it is correct that the German farm workers are demanding higher wages?—I ascertained the wages that are being paid round about Cologne. Close to Cologne itself wages are very high because of the competition of the factories. I heard a figure of 2 marks 40 per hour. The value of the mark is 76 to the £ at present. About 10 to 15 miles out from Cologne, where there is not the same rush into the factories, the rates run at about 7 to 8 marks per day as against 3 to 4 marks per day before the war. Under a different system of payment, where the men are boarded on the farm, I found that a farmer whom I interrogated had engaged two men at 87 marks and board per month as against 30 to 32 marks before the war.

3550. *Mr. Cautley*: Could you tell us the purchasing power now of the mark in Germany as compared with what it was before the war?—Theoretically it is supposed to be four-fifths.

3551. But practically?—It is very hard to say. I did not get an opportunity of judging of that. Living is, of course, very expensive. In the Cologne markets I saw cheese at 12·5 marks, margarine 8 marks, inferior sausages 4 marks, and potatoes ½ mark per lb.

(The Witness withdrew.)

Mr. J. O. VINTER, F.S.S., called and examined.

3552. *The Chairman*: I understand you have prepared a statement elaborating what you have to say, but you have not had sufficient time in order to get it copied and circulated to members of the Commission?—That is the case. I received a telegram on Friday evening making a definite appointment for me to come here to-day, and I have not had sufficient time to get copies of my statement made.

3553. Would you like to read it?—I think it would be better if I were to do so. I am sorry I have only been able to prepare a very short statement of what I propose to offer in evidence.

3554. We shall be glad if you will read it right through?—I should like to say, in the first place, that I come here with some amount of diffidence, because I am really quite a small farmer. I think you gentlemen will have more difficulty in getting accounts from small estates than you will from large ones, and therefore I imagine the figures I have kept for a number of years might be of some service to this Commission. I should like to say, in the first instance, that I am not willing to put in balance-sheets for war periods only, but the brief summary which I propose to present will by inference show the difference between pre-war and post-war periods. I do not consider that the abnormal conditions arising out of the war, which are not likely to occur again for many years, should be taken as a basis in endeavouring to arrive at the future of the farming industry. The object of the enquiry is, I take it, to estimate the present costs of carrying on an occupation, and also to show that certain prices for produce will be required to leave a margin of profit to the occupier sufficient in amount to cover interest on capital and reasonable remuneration for services. I propose to put before the Commission a very short summary of three periods, one of 10 years, one of 7 years, and one of 21 years. I take, first of all, the period of 10 years from 1897 to 1907. The rent charged for the holding is 20s. per acre. I was the owner-occupier, and the rent which I have put down is based upon the rent charged, so far as I was able to ascertain, for similar occupations adjacent. For those 10 years the credit balance on profit and loss account was £730 18s. 2d. I keep a capital account, and I know all the movements of the capital, and although I do not quite know exactly as a banker would what the debit or credit balance may be day by day, I arrive at an average, because I find that in similar occupations to this the capital is the highest at the end of September and lowest about April. I have taken an arbitrary figure, which, I believe, is very close to the mark, of £8 per acre as representing the capital employed. The return on that capital was £3 13s. 0d. per cent., that is, a profit for those 10 years of 5s. 7d. per acre. So far as the next 7 years' period is concerned, I think the Commission has a copy of the paper* I wrote, and members will find those figures set out on page 5 of that paper.* The paper relates to two light farms situate in South Cambridgeshire, the acreage of one being 260 and of the other 320. The character of the soil is what I should call the better kind of light land. The 10 years' period that I have already given you and the 7 years' period which I have alluded to in the paper, refer to the smaller holding of 260 acres. The 7 years' period is set out, as I say, on page 5 in the paper. The capital is £8 per acre, and the profit per acre, excluding 8s. interest on capital and 4d. for Income Tax, was 23s. 6d. I shall explain that later on. I first of all put in the interest on capital, and also the Income Tax, because that was all right, so far as keeping my own books was concerned, but it would not be admitted, I take it, in this enquiry. I group the two periods of 10 years and 7 years, making 17 years, and I find that the return on the capital for 17 years is 8½ per cent., and the profit per acre, excluding interest on capital and Income Tax, was 13s. 4d. That all points to the fact that from 1906 and onwards, up to the war, there was an improvement in farming, and I should say, judging from my own experience, that there was what I should term a fair living profit for the 8 years previous to the war. Then I come to the 21 years' period ending in September, 1918. The return on the trading capital is 15 per cent., taking the whole period. How much of this represents capital taken out of the fertility of the land by cross cropping and want of labour for cleaning I suppose it is impossible to say, but I have put it at not less than £4 to £5 per acre. If that is extended over the whole period of 21 years it reduces the net from 15 per cent. to 13½ per cent. To my mind, if I might express an opinion, that is not an unreasonable profit, and I should go further and say that but for war profits, which were larger, up to that time farming was about the most unremunerative business in the country. The summary is this: The return on capital for 10 years was £3 13s. per cent.; for 17 years, £8 10s. per cent.; and for 21 years, £13 10s. per cent.—that is, 13½ per cent. Then I come to the estimate of present cost. You will find on page 5 of the paper that I have made an estimate for this year—that is the current year ending the 29th September, 1919—of £9 18s. per acre, including interest on capital and Income Tax. The receipts are estimated at 10 guineas and the net at 12s. per acre. Since I wrote the paper that Government has published their guaranteed prices for this year's crops, and there has also been an increase in the rate of wages in operation. This increase, taking a full year on light land, which I calculate at three men to the 100 acres, will amount to 9s. per acre. I have, therefore, revised my estimates in this way: I omit interest on capital, and also Income Tax. These omissions will reduce the cost of carrying on to 8 guineas, to which should be added 3s. 6d. per annum per acre increase in the labour bill for the 20 weeks of the year, from May 15th to September 29th, making a total of £8 11s. 6d., or if the increase of wages had been in operation for the full year it would be £8 17s. My estimate for cereals only on the total receipts were as follows: 4 quarters of wheat at 76s., £15 4s.; 4½ quarters of barley at 70s., 15 guineas; 6 quarters of oats at 50s., £15; leaving an average, assuming the same acreage for each crop, of £15 6s. 4d. The Government guarantee works out, taking their quantities and prices, as follows: 4 quarters of wheat at 75s. 6d., £15 2s.; 4 quarters of barley at 68s. 10½d., £13 15s. 6d.; and 5 quarters of oats at 47s. 6d., £11 17s. 6d., giving an average for the same acreage of each cereal of £13 11s. 8d., or £1 14s. 8d. less than my estimate. My reconstructed figures would be as follows: Total receipts, £9 12s. 6d.; cost of carrying on, £8 17s.; net profit, 15s. 6d. per acre, including interest on capital and management. I may say I do not expect, according to the estimates which I have made this year on my own crops, that the Government's estimates of quantities will be obtained this year on the very light lands in Cambridgeshire. I fear from my own occupation, and I am told also in Norfolk, the yields will be very much less than the quantities as set out in the Government estimates, and there will be very serious losses at the guaranteed prices. There is one point that I think might be of interest to the Commission. On light lands farmed under the four or five course shift, the value of the cereal harvest should equal the total cost of carrying on to leave a living profit. For the 7 years, 1907 to 1914—the years to which I have alluded in which there was an improvement in agriculture—the average value of the cereal crop exceeded the total outgoings by 6s. 8d. an acre. The profits from other produce were 16s. 4d. per acre. Those two together will prove the figures which I have given on page 5 of the pamphlet, omitting interest on capital and Income Tax. I do not know whether it is necessary for me to allude to the fact that those profits were made on a very low labour bill of 31s. 5d. per acre. Now I come to another point, that is, the prices required to give a reasonable profit. I estimate that I should require 2s. 6d. per stone for wheat, barley, and oats for all corn grown, both head and tail, based on the quantities which I have estimated, to show 13½ per cent. on the trading capital. 2s. 6d. per stone is 90s. for

* For extract of portions of this paper which are referred to in the witness's evidence, *see* Appendix No. VI.

wheat, 80s. for barley, and 60s. for oats. These prices exceed the Government guarantee in the case of wheat by 14s. 6d., in the case of barley by 11s. 1½d., and in the case of oats by 13s. There are other matters which I am leaving for the moment—the matter of depreciation and the question of Income Tax. That is all the statement I have to make with regard to the estimate of expenditure and receipts for this year. It would be convenient for me perhaps now to wait to hear whether there are any questions to be asked on those points.

3555. *Dr. Douglas*: There is a point I do not quite understand, that is, how the Government guarantee, in your opinion, reduces the total income on your farm?—The comparison was between what I had estimated the crops at in quantity in the paper which I wrote and the quantities which the Government afterwards put down in their guarantee.

3556. You would receive the full market price for the quantities produced?—If there is to be a free market.

3557. The Government guarantee is not a fixed maximum price?—I thought it was understood so when I wrote that paper.

3558. It has never been put forward as a fixed maximum price, but as a guaranteed minimum price?—I do not think it was so understood at the time.

3559. While the guarantee applies only to certain stipulated quantities per acre under the machinery of the Corn Production Act, the grower will have the whole of the produce to sell?—I should have said it was so understood at the time that the Government guarantee was a fixed maximum price, but farmers seem to be hopelessly at sea as to what their position is.

3560. Is your statement based on the understanding that this was a fixed maximum price?—It was based on what I understood at the time, that it was a fixed maximum price.

3561. If you are mistaken in supposing it to be a fixed maximum price that would alter your view?—I do not go so far as to say that farmers hope, particularly this year, with this disastrous crop, that that will be so. I should think that they would wish to have a free hand, but we do not know how far we are controlled.

3562. If you are mistaken in supposing it to be a fixed maximum price, would that alter the statement which you have made to us?—It would alter the statement if you were to say you are going to have a free market to make just what you like. In that case I should say: "Well, my estimate will be that I shall receive very much more than the figures I have given here."

3563. I put it to you the statement you have made to us is based on the supposition that the Government have fixed a restricted maximum price. That is the basis on which your statement was made?—Yes.

3564. If that basis is not correct the statement will fall. Similarly, I understood you to put it to the Commission in your statement that your total receipts per acre would be restricted because the Government had fixed the amount on which you would be paid. Is that so?—My estimate is built up on what was taken to be the Government guarantee.

3565. I am asking you how you understood that guarantee. Did you understand from it that you were to get nothing at all for anything over and above the amount estimated by the Government in that guarantee?—I do not quite know—I have not got it with me—how that operates, but I understand there is to be some payment for a certain percentage of corn other than that consumed on the farm. That is, I think, your question.

3566. *Mr. Rea*: In your system of accounts, do you keep a field to field account—a separate account for each field?—No, I have no costings—simply the results.

3567. The total cost of wages, and the general outlay, and the receipts against it?—The accounts are kept on a commercial system of double entry, and they are absolutely accurate. There is an accurate capital, trading account, and profit and loss account. It is simply results, not costs.

3568. In the paper we have before us of the heads of your evidence a very important question arises on head 7: "Fictitious profits arising out of lowered fertility of the land." Could you give us any estimate as to what percentage that has amounted to?—I have put it at £4 to £5 an acre, and distributed it over the whole period. The figures show that that reduces the apparent profits by 1½ per cent., namely, from 15 per cent. to 13½ per cent.

3569. It would mean an outlay of about £4 to £5 an acre to restore the land to its pre-war state of fertility?—No one can say what it will take, but I put that as an estimate. You have had the fertility taken out of the soil by cross cropping, and we have got the land into a foul condition, and I should think that is a moderate estimate, £4 to £5 an acre, to bring it back to a good state of fertility. That is not profit. That should be taken off the apparent profits and spread over the period, and, as I say, that is equivalent to 1½ per cent.

3570. I quite agree with you. I think it is a much more serious factor than many people realise. As to the depreciation of machinery, you take that at an annual valuation, I suppose?—Of course, there is a great change coming about now in regard to machinery. Even the smaller men are employing tractors, and cutting corn with them instead of employing horses, as they used to do. At one time if a man managed his farm well he bought young horses, and at the end of five or six years he sold them, and on the balance he got some profit. With regard to his dead plant, a very small amount was written off—about 5 per cent.—but that will not do in the case of tractors. Time has been too short to say definitely what the depreciation should be put at, but I should say the cost should be written off in a period certainly not exceeding four years, and therefore I should deduct 25 per cent. per annum. This depreciation and the loss of profit on the sale of horses will, I estimate, increase the cost of carrying on by 10s. per acre.

3571. *Mr. Overman*: You say you have 580 acres of land altogether?—Yes.

3572. How much of that is grass?—Less than 10 per cent., 7 per cent. perhaps.

3573. That would be about 40 acres?—Not so much; I should say 5 per cent.—20 out of 320. It is really room out of doors; it is not grass.

3574. What system of farming do you pursue—a four-course rotation—it cannot be four with you; it must be five?—Yes, I should say a five-course.

3575. How much of your total arable have you got in corn this year?—183 out of 320.

3576. How much on the other farm?—I sold the other farm with the standing crops four years ago. This estimate applies only to the 320-acre farm.

3577. Do you keep pedigree horses at all?—No.

3578. Do you graze cattle?—I have a ewe flock, and I have usually store bullocks in the winter. I do not indulge in the luxury of feeding bullocks.

3579. It is a very old system of calculating your cereal crop—that the cereals should pay all the costs of the farm, and that what you get out of the cattle and sheep represents your profit? The store stock sometimes pay a fraction over the cost of the cake, and so on; over your fat stock you lose, and very often there is no margin in sheep.

3580. In answer to Dr. Douglas's question as to valuing your growing crops, you said that it could only be based upon the guaranteed prices for cereals?—I think the future is hopeless without a guarantee. I am speaking as an agriculturist, not as a citizen. I do not want to talk politics, but I am a Free Trader as a citizen.

3581. What do you reckon your capital now is in the case of this 320-acre farm?—I put the average at £15 per acre.

3582. That is without any very large amount of stock, or sheep, or anything?—That is taken with a ewe flock, and if you put the lambs with them now, it may be £2 or £3 an acre more. In the winter there would be more because there would be the store

stock or bullocks, if I fed them. That would increase it for the 15 or 16 weeks you are feeding bullocks. Of course, the way to get at the amount of cattle on a farm is to take the average for the year. For that reason, I have kept a capital account, and I am able to say what the valuation is.

3583. What does your valuation show, say, at September, 1913?—Up to 1913, it was £8. It was £10 at Michaelmas and £6 at March. I remember discussing this point fifty years ago at the Statistical Society. Sir Richard Palgrave made a statement putting the capital all the year round at £6. I challenged that statement, and Major Craigie supported the view I took, as also did Lord Eversley.

3584. Is it right to say that the capital you have employed on your land has practically doubled in the last ten years?—It has gone up from £8 to £15.

3585. *Mr. Batchelor*: You have put down in your current year's expenditure 10s. per acre for manure?—That is spread over the whole acreage of the farm, not merely the crops.

3586. That would be £160?—Yes.

3587. On the other hand, you have put down tradesmen's accounts as amounting to £1 per acre. That is £320. That must include other items than tradesmen's accounts, must it not?—I have given the analysis.

3588. I see it includes coal for threshing and binder twine. Does it include the threshing also?—Yes, that is included in the tradesmen's accounts.

3589. To come back to this vexed question of the Government guarantee in regard to prices of grain, may I put it in this way: you have estimated that you can grow four quarters of wheat, 4½ quarters of barley, and six quarters of oats. Do you expect to be able to grow those quantities in future as you have done in the past?—I do not expect to grow them this year.

3590. Did you make out your first estimate on the basis of growing those quantities?—I have reconstructed the estimate.

3591. Did you make your first estimate on the basis of growing those quantities?—Yes.

3592. What made you alter it?—The Government guarantee, for one thing, and on the prospects, for another, and the prospects are even worse than the Government guarantee. I do not put my crops this year at more than seven sacks of wheat, seven sacks of barley, and I believe within a mile of me they will not get more than four sacks of barley.

3593. Will you tell me why you have not taken in your figure your own estimate of what you are expecting to grow—seven sacks of wheat and seven sacks of barley? Why do you take the Government figure?—As a comparison between what I had estimated in the first instance.

3594. If you really had grown 4½ quarters of barley as you estimated, why should the mere fact of the Government making an estimate of four quarters induce you to alter your figure of 4½ to 4? It was not going to alter the quantity you grew?—It was not.

3595. That is why I cannot follow your alteration?—I would like to clear it up. If I can understand what you mean I can explain it.

3596. What is your estimate of your crop this year? You say 7 sacks of wheat and 7 sacks of barley?—Yes.

3597. Why do you not put in those figures?—I do not put them in directly, but I put them in by inference, as I have stated.

3598. No, you have not put in 7 sacks?—I think I catch your point. I should have had to revise continually downwards, and it is only since I began to cut that I should reduce my estimate of barley to 3½ quarters. Therefore the position is materially worse than what is set out in the figures. I am much obliged to you for calling attention to that, but I wanted to work on lines which existed to my mind then.

3599. Your reason for putting in the reduced figures, which are the Government figures, was because you are of the opinion that the circumstances in your own case had so altered that the Government figures were nearer the mark than your own?—Yes, and I have given you my estimate afterwards of 2s. 6d. per stone to prove that.

3600. *Mr. Ashby*: You say your capital before the war was about £8 an acre?—Yes.

3601. Does that include tenant right and unexhausted values?—Yes. It was very low on that sort of land at that time—it was only 30s. to 35s. an acre then.

3602. You now say your capital has increased to £15 an acre, and that you have lost £4 to £5 on unexhausted values?—The first is a fact, and the other is an estimate.

3603. Whereas you had 30s. or 35s. for unexhausted values in 1914 or 1915, you have lost £4 or £5 an acre since?—Yes, but if I take a long period for one purpose I must take a long period for another. It would not be fair for me to take that over the one year. It amounts to 1½ per cent. over the whole period.

3604. What are the elements that enter into unexhausted values—they are manures, manual labour, and horse labour chiefly, are they not?—I am not a chemist.

3605. Your total expenses on labour, including the cost of growing the crop before the war, were 31s. 5d. an acre; the manure was 7s. an acre, and the debit difference in the cost of your horse keep was about 8s. an acre—7s. 8d. an acre?—Yes.

3606. Growing crops with that small expenditure, I put it to you, it was impossible to have any very great amount of unexhausted values, and that it was impossible on your farm, in those conditions, for you to have lost £4 or £5 an acre?—I do not agree. Although I am an amateur in some respects, I have been complimented by experts on the cleanliness and good farming of my farm.

3607. You agreed with me that one of the chief elements of unexhausted values is labour?—Yes.

3608. Yet your labour expenditure has increased quite as rapidly. You have, as a matter of fact, employed as much labour?—Yes.

3609. You have not used as much manure, but in any case the small reduction in the amount of the manure used would not reduce the unexhausted fertility more than a few shillings an acre?—Only a few shillings.

3610. You only spent 7s. before the war, and 10s. now, and assuming that you have reduced the amount of manure by half it would only mean a few shillings an acre reduction in unexhausted fertility?—This is a mere estimate; we cannot prove it any more than we can prove the cost of any crop.

3611. You said that you keep a ledger account, and you credit your seed, I presume, to your crops, and debit it again when you sell it?—Yes, every bushel.

3312. You do the same with your horse corn?—Yes.

3613. Do you always credit and debit at sale prices?—Always at the market price.

3614. The figures cancel themselves out?—Yes. If I might address the Chairman on this question of accounts, I do not know whether there will be any doubt thrown on them, but my books are perfectly open for any expert to audit. I have absolute confidence with regard to them, because I need not say to you, Sir, if accounts are proved to demonstration, as mine are, there is no need to fear that any error will be found, and I am sure that no error can be found in them.

3615. *Chairman*: Thank you very much. I am quite sure that your accounts are perfectly accurate?—I do not have to have them audited, because they prove themselves to demonstration, and that is the best system of audit one can have.

3616. You do your level best to keep them as accurate as you possibly can?—Yes, and they balance themselves exactly, which is an absolute proof of any book-keeping, is it not?

3617. *Mr. Cautley*: Out of the 320 acres to which I understand your estimate for the year 1919 applies, how much is arable land and how much grass land?—There are 183 acres of cereals; about 35 acres of annual sainfoin, or clover, or something of that sort, and about 70 acres of fallow, and then there is some grass. I do not know whether those are the exact figures, but they are approximately right, at any rate.

3618. You have about 35 acres of grass on the farm?—Then my figures are not correct; there must be more fallow.

3619. How much grass have you, that is what I want to get at?—Something like 20 acres of grass.

3620. Twenty acres of grass and 300 acres of tillage?—Roughly, that is right. The total under the plough is 292 acres.

3621. The only figures which are of interest to me are your estimate for the current year ending 29th December, 1919. Is your labour, £3 10s. an acre, based on the figures taken to the last increase of 6s. 6d. or not?—Yes. It is £3 19s. now for the full year. This year we are dealing with 20 weeks only, but that represents 3s. 6d. out of the 9s. The full year is 9s. on like land, but I did venture in this paper to estimate the increase of the labour bill on heavy lands at 33 per cent. more—12s.—but I have not very much knowledge of heavy land.

3622. I understand your farm is two-horse land entirely?—Yes.

3623. Still, you do fallow as much of it as 70 acres, you say?—Yes, because I try to keep every sheep that I can on the place.

3624. Do you count as fallow, swedes, turnips, and that sort of thing?—Yes.

3625. Do you have any bare fallow?—No.

3626. Your estimate for the full year at the present rate of wages is £3 19s. an acre?—Yes.

3627. The rent remains the same?—I have not altered that.

3628. You put down the seed at £1 an acre. Is that from actual figures in your books?—It is.

3629. For what year?—The current year. That includes the wheat, and the winter oats last autumn, and the spring oats, and barley, and the sainfoin, and turnips, and things of that kind.

3630. And clover seeds?—I do not grow much, as the same land should not be sown with clover oftener than about once in twelve years.

3631. I was going to suggest to you that clover seed this year costs about £2, or more, an acre?—Yes, that is about it.

3632. If you add clover seed, £1 an acre for seed would not cover it, but a more expensive sowing would be sainfoin; that runs up to about £5 a quarter, and it takes a sack.

3633. Does the manure only include artificial manure?—Yes, the dung I do not take any account of. It is principally sulphate of ammonia and superphosphate.

3634. Ten shillings an acre is very small for that, is it not?—No, because you only have a percentage of cross crops, and it is used only on such crops. That figure is accurate; it is what I actually paid.

3635. How many horses do you use on the farm?—I have been getting rid of my horses, because I bought a couple of tractors. I do not know whether I am going to gain anything by it. I have only one now; I gave one up recently, but we were able to do all our threshing last week with the one.

3636. How many horses did you keep?—Three horses to the 100 acres.

3637. Ten horses in all?—Yes.

3638. Do you tell us you can keep a horse for £32 a year?—That is for the corn only.

3639. It seems to me very little?—If I sold oats for seed at 65s., and some portion of them were kept for the horses, I should not put them through the books at 65s., but at the controlled price. I should not think it right to include a fictitious profit in respect of things consumed on the farm.

3640. I understand that this table of yours on page 5 is an estimate of the cost of growing cereals for the year?—If you put it in that way I should have to agree with you.

3641. I understand that your figure which you bring out here on the fifth page was your estimate for growing one acre of cereals?—Yes.

3642. Do you tell me that it only costs £1 for the keep of the horses to work that cereal land per acre?—The estimate is based on the controlled price of 47s. 6d., I think the figure is.

3643. It includes oats only, and horse corn?—I thought we were only speaking of oats.

3644. Yes, I agree?—It is debited and credited in the accounts at 47s. 6d.

3645. How much corn does that allow per horse per week?—Six stone per week.

3646. So that there is nothing charged here for hay or straw?—No, I have taken the dung as an equivalent. I have not gone into that at all.

3647. In your Tradesmen's Accounts it is very difficult to form any estimate, but I understand that they include every other expense on the farm that you have?—Yes. The rent would be, as far as I am able to judge, what adjacent occupiers are paying.

3648. Take the Tradesmen's Account, £1, does that represent the amounts you actually paid last year, or the current years?—The current year.

3649. The current year has not expired yet?—No, I do not mind that. I made an estimate, or a budget, if you like, for the whole year, and I find within six weeks of the end of the year that is practically the right sum. There will not be £10 difference in it.

3650. Have not all these expenses been steadily going up the last twelve months?—They have, but if you look at the difference you will see in the first column it is £1 now as against 11s. 2d. pre-war.

3651. Yes, but the 11s. 2d., I understand, was an average of the seven years ending September, 1914?—That is so.

3652. That is going back to the bad times?—Yes.

3653. The last year of the seven years was the year before the war?—Yes.

3654. The increase from 11s. 2d. to £1 only amounts to about 87 per cent.?—You mean to say it is too little?

3655. Yes?—It is all right, so far as my books are concerned.

3656. I agree it is right so far as the books are concerned up to date, but with a view to the future are not these figures too low? First of all, to deal with this item alone, the £1 for Tradesmen's Accounts, has not every single item been increasing in price during the year?—If you ask me to estimate for the future, I do not know whether anyone can do so, but apparently it looks as if everything is going to cost more than it does to-day to carry on, because we are going to have appalling rates.

3657. Do you mind going by steps? Do you agree with me that every item which you class under "Tradesmen's Accounts" has been increasing since Michaelmas up to the present time?—I agree.

3658. Do you see any signs at present of any of those items diminishing?—No, I do not.

3659. Do you agree with me that they are likely to increase rather than to diminish in the near future?—It depends upon so many things. It depends upon the shipping and it depends upon the exchange in other countries.

3660. I am not dealing with the price of corn; I am dealing with the Tradesmen's Accounts?—Yes, but we import other things besides corn.

3661. Quite so. Do your Tradesmen's Accounts include anything for feeding stuffs?—No.

3662. No cakes?—No. I explained that. I only take the net meat after the cake bill has been paid.

3663. It is all kept separate?—Yes.

3664. I suggest to you that £1 is too low for the future?—I cannot say as to the future; I can only deal with things as they are.

3665. I think you have explained how you have arrived at the receipts, 10 guineas?—Yes, I have revised that.

3666. Have you any experience yourself of farming the heavy lands in Cambridgeshire?—None whatever.

3667. None of the three or four horse land?—No. The only knowledge I have is just from what I hear at markets, and so on. I have no practical knowledge.

3668. *Mr. Edwards*: As far as I have followed, you have said nothing with regard to security of tenure. I should like to have your views on that?—I have been told since I put this down that the question of the security of tenure was not to be considered by this Commission.

3669. *Chairman*: It might be discussed?—I have very little to say about it except that I think it desirable that there should be security. I think that leases should be for not less than 14 years. A man may take a farm in a bad state, and I think the old adage is a very true one—one year's seeding for seven years' weeding. If a man had to do seven years' weeding he might be improving the farm all the time for somebody who was going to succeed him the following year, and therefore at the lowest I should say there should be security of tenure for not less than 14 years.

3670. Assuming your man gets a 14 years' lease, looking at it from the national point of view, what is the usual result when you come to the end of the 14 years, or nearly to the end of them? When a man arrives at 12 years out of the 14 years, what do you expect as the usual result of his farming of that land?—Do you mean what is to happen at the end of 14 years?

3671. No, I mean a man having a lease for 14 years, 12 years of which has run, what method of farming is that man likely to follow during the last two years of his lease?—That would apply if it was 21 years, or 28 years, or whatever it was.

3672. Exactly. He would want to know where he was, would he not? He would still be unsecure!?—He would not be so secure during the last two years of his lease as he was previously.

3673. And therefore he would be likely to allow the farm to deteriorate?—That depends upon the landlord, does it not?

3674. *Mr. Green*: You sowed 183 acres of the corn out of 320 acres, did you not?—Yes.

3675. When you planned your sowing last Michaelmas you had only a guaranteed price of wheat in front of you of 65s.?—Yes.

3676. Was it not rather rash of you to sow so many acres of corn with only a guaranteed price of 65s. in front of you?—Yes, if you could do as you liked, but you cannot in farming; you must follow a certain rotation.

3677. May we take it that you felt rather secure with a guaranteed price of 65s.?—You could not do that, because the effect of the Government control was that you did not sow seeds into your corn, and therefore it must take another year to rectify. I anticipate that many farmers will keep their seeds down now for two or three years instead of ploughing them up every year, but under the Government control when we were obliged to cross crop to keep up to a certain acreage we could not do that, and therefore we had last year to follow lines very similar to the year before.

3678. On page 7 of your pamphlet you say: "Assuming that the cost of imported wheat fell to 40s. per quarter, the account would then stand 5/7ths at 40s. per quarter and 2/7ths at 60s. per quarter, showing an average cost of 45s. 8s." Are you really afraid of imported wheat falling to 40s. per quarter?—I do not think that this quite arises out of this enquiry. That was rather a hypothetical proposition which one usually takes in writing a paper of that sort.

3679. I should like to point out to you that it has a direct bearing upon guaranteed prices?—If you maintain the price of the 4lb. loaf at 9d., which is equivalent to about 60s. a quarter, and you import 5/7ths of the wheat, and you get it at 40s. a quarter, there is a profit which I think I estimated at something like 25 million pounds to the Government which they would be able to use as a subsidy for farmers for the growth of barley and oats, and perhaps other things. That is the general proposition.

3680. In view of the fact that there was a Royal Commission in 1881, and the English Government sent over two gentlemen to the United States to enquire into the cost of wheat landed at Liverpool, it may be some comfort to you to know that the cost at that particular date landed at Liverpool was said to be £2 7s. 9½d. per quarter?—Yes.

3681. I put it to you that, considering the extra cost of production in the States, and the fact that the wheat must be sea-borne for a great distance, there is not much chance of wheat being imported into this country at less than, say, 70s. a quarter?—I do not dispute that at all; it may be so.

3682. *Mr. Thomas Henderson*: What exactly is your basis of calculation, with regard to page 5, of your wheat? You did not keep a costings account for each field, did you?—No. Those are the actual results.

3683. These represent simply the total expenditure for the average farm?—Yes, that is right.

3684. They bear no absolute relationship to the cost of cereals?—They bear no relationship to the cost of any particular crop.

3685. You take a somewhat depressing view of farming as an occupation, I gather?—I think that without a Government subsidy, when we have got over the world shortage and the exchanges are right, that agriculture is doomed.

3686. You have said that it was the most unremunerative business in the country?—It was.

3687. That judgment was based on your own statistical data, was it not?—I have a very much longer experience than what I state here. In 1865 I was a pupil in Yorkshire learning farming. I kept a diary of what was done every day, and I have got it now, and I am able to say, although they went through the good times after the American War, there was hardly any farmer who left, when he died, more than what he started with.

3688. Has that always been your opinion regarding farming?—Yes, always.

3689. I was pursuing some researches of my own and I came across, in the Journal of the Statistical Society, a passage in a statement before them in the year 1905, in which you expressed a somewhat different view. It says, "With regard to tenant farmers, Mr. Vinter's impression was that, while it could not be said they had made fortunes, they had made sufficient profits"?—In 1905?

3690. Yes. And it goes on to say that that impression was entirely borne out by your own personal experience of farming?—I did not say there was not a living in normal times.

3691. You go on to say that you very seldom see a farmer in the "Gazette"?—That is so.

3692. In fact, shall I say you took a very good businesslike view of the prospects of farming then? I was wondering whether you had had any experience since 1905 which caused you to be so very pessimistic as you are to-day?—Yes.

3693. What is the particular cause of your pessimism?—It has been the most unremunerative business in the country. A man has just scraped a living together. I could give you one instance of that. Where I was a pupil the man was one of the most practical farmers in South Yorkshire. He farmed 600 acres of land for 40 years. He commenced with a certain amount of money. He had no family. He was very careful indeed in his habits and he always had pupils. When he died he left £6,000, and he must have had nearly that sum when he started.

3694. That would depend upon his rate of expenditure when he was alive?—As I say, he was very careful in his habits.

3695. You go on to say that the depreciation was overrated, and that the return from farming was all that could reasonably be expected, taking into consideration the healthy and pleasant lives which farmers enjoy?—That is why I am farming to-day. We cannot value health. That is to say, we cannot appraise it exactly; if we get health and pleasure and recreation out of it; but it does not follow that the person who has to get a living out of it should take up agriculture, because if I had had no other source of income during my first ten years of farming I should have been in the Bankruptcy Court.

3696. Looking at your returns from farming since then, I should say there was not any prospect of your ever having to go there?—I hope not.

3697. *Mr. Prosser Jones*: I think you farm your own land?—I do.

3698. If you were a yearly tenant, would you sink as much capital in your farm as you do now?—It would be unwise if I did not if I could.

3699. You think it would pay you better even to risk it if you were a yearly tenant?—I think it always pays one to equip their farm as well as one possibly can.

3700. Even with the risk of being turned out in 12 months?—Now you are on the subject of security of tenure.

3701. Yes?—I think security of tenure is very desirable.

3702. Do you favour State interference in agriculture, or would you prefer being left alone, as we hear some farmers would wish to be?

The Chairman: I think that question has been answered. Mr. Vinter said it was impossible for a farmer to go on unless he was guaranteed by the State.

The Witness: I do not think that is this gentleman's point.

3703. *Mr. Prosser Jones*: What I wanted to know was whether you are of the same view as these farmers who say they would prefer to be left alone and would do better if they were left alone?—I think if we were left alone for the next four or five years we should do better without control, but after that the deluge.

3704. *Mr. Langford*: Mr. Ashby questioned you about the unexhausted values being carried forward in your balance-sheets at 35s., say, pre-war?—Yes.

3705. You spoke also of the removal of the reserve fertility of the land to a greater amount than 35s.?—I put it at £3 or £4 an acre.

3706. When you carried forward unexhausted manures in your own land that would be as though you were calculating as between an outgoing tenant and an incoming tenant?—You are on the subject of tenant right valuation?

3707. Yes?—When I used to debit and credit at the end of the year that account with exhausted manures and seeds, and then debit the new seeds, I found that the difference at the end of the year for 18 years was so fractional that I have ceased to do it.

3708. My point is that as an outgoing tenant it would have been your duty to leave a good deal of fertility in the land so that it might be in a fair state of cultivation?—I do not know about duty. I do not know that I should take it as an absolute duty, but it would have happened as a fact.

3709. The amount you have transferred as unexhausted on your balance sheet did not represent the whole of the fertility that might have been removed from the farm?—No.

3710. Under the stress of heavy cropping during the war and the nation's need, and your inability to get suitable manures, you have lifted from the soil a greater amount of fertility than you would have carried forward in an ordinary balance sheet?—That is my contention.

3711. That would be very necessary as between the amount you carried forward on the balance sheet and the amount that is now owing by the farmers to the land in consequence of heavy cropping?—Yes.

3712. You have been questioned about page 5 of your little leaflet, and unless I misunderstood you said the figures you have put down there do not represent the cost of growing an acre of corn?—No, that is costings.

3713. Do the figures up to the 29th September, 1919, of £9 18s. an acre represent the cost for each acre of your 320 acres?—Yes, for the whole occupation; but, of course, the figures have been revised.

3714. Yes, the £10 10s. would represent the receipts per acre from the whole of those 320 acres?—Yes.

3715. Deducting the £9 18s. cost from the £10 10s. receipts, it leaves a profit of 12s. per acre?—Yes.

3716. In that amount have you put down anything for your own time and management expenses?—No, nor have I put down anything for interest on capital. It is in that column I have revised my figures.

3717. I put it to you, you have made a very close study of farming, and that you are somewhat above the average farmer in intelligence?—I am not a farmer.

3718. At any rate, you understand farming?—I think so.

3719. You have been at it all your life, have you not?—No, not all my life—for the past 25 years now, and, of course, I did some farming 50 years ago.

3720. I put it to you that very few farmers in your locality would be able to obtain the same good results from farming as you yourself have been able to obtain because of your better methods?—I confidentially see a good many farmers' accounts in various capacities, and I am justified in saying that, although I am not a farmer by profession, farmers as a rule do not do it as well as I have done. I attribute that to my knowledge of upkeep accounts, to my long experience in other businesses of business methods, and I think perhaps to a fair practical knowledge of agriculture. That is a combination of things which the ordinary tenant farmer, perhaps I may say, does not possess.

3721. I submit to you that your farm is about the right size for economical working?—I should think it is rather less in acreage from that point of view. I have written other papers, and I have generally taken the standard of economy as regards size as 400 acres.

3722. Three hundred and twenty acres of tillage farmed as yours is would be very much, from the standpoint of economy, on the same basis as a very much larger farm with a larger area of pasture?—No, I think I stand at a little disadvantage in that respect, because if you could spread the salary of your foreman or bailiff over 1,000 acres instead of over 300 the percentage of expenses is less than those of the smaller occupation, and there would be some saving, perhaps, also in the labour bill—not much, but some, and perhaps in the horse account, too. I think that the 1,000 acres should be managed at rather less per acre than the smaller holding.

3723. Your farm of 320 is much more economically worked than a 100-acre farm would be?—Yes, distinctly.

3724. On the same basis, in your district at 12s. an acre profit a farmer farming 100 acres would only get £60 net profit for himself?—The farmer with 100 acres should be a workman—a manual labourer—as well as a farmer. I think the worst economic proposition in farming is anything up to 200 acres, apart from the small holding.

3725. I quite agree with you that the farmer of land up to 100 acres ought to be a working man—a man that works on the farm himself?—He should.

3726. Do you not think he is entitled to claim a wage equal to that of the best man he has employed on his farm—if the farmer works himself?—What do you mean—do you mean that he is to be on his own account or that he is to be subsidised by the Government?

3727. It does not matter whether he is or not. If a man is farming 100 acres, and he is honest to himself, he will take out a similar wage for himself to what he pays to his best man each week?—Yes.

3728. After doing that, his profits on the same basis as yours would only amount to £60 a year, even if as much?—There is the interest on the capital also to be taken into consideration in that figure.

3729. If a farm such as yours was cut up into small holdings, with the necessary expense of new fencing and buildings and probably boring for water and other things, and the farmers had to pay higher rents, do you think there is any likelihood of a small holding in your district paying?—My experience is that a small holder has not a ghost of a chance unless he works double the hours of an ordinary labourer.

3730. *Mr. Lennard*: Do you mind if I ask you a question as to your opinion upon a matter of general policy? Suppose the agricultural policy of the State were to give the farmer the greatest possible encouragement in corn production without the State having to pay any subsidy except in years when world prices fell to an exceptionally low level, what sort of guarantee would, in your opinion, encourage the farmer most? Would the farmer rather have a low guarantee, which should be a minimum above which the farmer would have the play of a free market, or would he rather have a slightly higher minimum guarantee combined with a maximum price above it, or, on the other hand, would he prefer a still higher guarantee which should be a fixed price, that is to say, both a maximum and a minimum?—I think the ideal is a sliding scale, and what the basis of the sliding scale should be is rather difficult to say. I should apply the same remark to the labour bill.

3731. By a sliding scale do you mean a sliding scale between the guaranteed price and cost?—You want to do what I have tried to arrive at, that is, the cost of carrying on, and then you want to ascertain the price you get for the produce, and arrive at what is a reasonable return to cover the interest on capital and the charge for management.

3732. May I take it that the guarantee you contemplate would be really a fixed price?—Not necessarily.

3733. The farmer would never get anything below it and never get anything above it?—Are you meaning where would be the incentive for the man to do his best?

3734. Yes, which would encourage the farmer most out of those three types of guarantee?—I should have to give some thought to that before I could answer your question.

3735. I thought in case you had an opinion about it I would like to elicit it. There are one or two points in your paper here about the future of farming. In the second column of your table on page 5 of your pamphlet, you reckon income tax at the full 6s. rate?—Yes, but I have cut it out altogether in the reconstructed figures that I gave. That really was in the first instance an abstract for my own purposes, but income tax is not a charge upon a farm.

3736. On page 8 of your paper dealing with wages you appear to assume that the recent increase in wages will necessarily mean an equivalent increase in the cost of labour?—Yes, I do. I perhaps have not taken it far enough, because I think that the higher the wages are the less work we get.

3737. Is it not the case just now that demobilisation is providing the farmer with a stronger type of man than that which recruiting had left at the farms during the war period, and would you not consider it possible that the rise in wages may be to some extent counterbalanced by the improved physique of the labourers who are made available by demobilisation?—I am not sure that I quite catch the point.

3738. My point is this: Do you consider that the increase in wages which happened to come just at the end of the war when demobilisation was beginning will involve an equivalent increase in the cost of labour?—Yes. I think so.

3739. I suggest to you that at the same time that the wages have been raised the quality of your labour is being improved because of the better physique of the men released by demobilisation?—I do not admit it—at all events we are not getting the advantage of that quality.

3740. Do you not think that that is perhaps due to a temporary reaction in the case of the men who have been demobilised?—No, I do not think so. I think that the conditions under which the agricultural labourer lived before the war were very different from what they are now, and that he will expect, and I think he is entitled to it, more freedom and more pleasure in life and that that will increase the cost of the produce.

3741. I understand that as compared with the pre-war perior, but you have been speaking of the increase which has taken place this spring. Along with that increase I put it to you there is also coming a change in the quality of the labour as compared with what it was, we will say, a year before the Armistice?—I do not want to say harsh things about the agricultural labourer, but it appears to me that the more wage you give him I think there is less disposition on his part to work. I think there is more time wasted.

3742. Yes, but if the man is stronger will the labour not be more efficient now than it was during the war?—He need not exercise his strength.

3743. An equivalent output of sweat from a strong man means a greater output, does it not?—Yes, but you are stating what is a truism; we do not get it.

3744. This paper, "The Future of Farming," which you have prepared, and which has been referred to so much, I understand was read in April of this year before a gathering of practical farmers at Cambridge?—Yes.

3745. I notice on page 6 you say that 60s. per quarter is the very lowest price at which wheat can be produced to show a living profit, and that that statement was greeted with cries of "No, no." Does that mean that some of your audience thought that your figure was an over-estimate?—You see, when corn goes down there will be a very considerable reduction in the cost of the artificial manures, and presumably a decreased cost of raw material which will affect the tradesmen's account. It is a pure estimate, but I think that is quite possible, and the position might be as good in that case at 60s. a quarter as it is to-day at 70s. But, as I say, it is all estimate.

3746. What do you think this difference of opinion meant when your audience disagreed with that statement of yours which I have just read to you? Did they think that 60s. per quarter was too much or too little?—Too little—there is no doubt about that.

3747. *Mr. Nicholls*: Is this farm of yours run really by a foreman—is your farm in charge of a foreman who lives on the farm?—Yes.

3748. You live some distance away, do you not?—Yes.

3749. You go to the farm two or three times a week?—Yes.

3750. That would be one reason why you did not charge anything in the estimates for your own labour?—There is something in that. I think what you mean is this: I have a man there walking about looking after others and that I ought to be there doing it myself?

3751. What I felt was that you had a practical man there who was really a good manager, and that he took the management and responsibility largely off your shoulders, and that you live in some other way, and that it would not therefore be fair to charge for your own supervision. I thought that was what was in your mind, perhaps?—I think if I was a tenant farmer living on the place I should have a man of similar stamp to what I have now. The only difference would be that he would do a little more manual labour than he does at present, and therefore you might take a fraction off—not much—because the present man does dirty his hands a little, so to speak.

3752. How long has he been with you?—He has been there about 50 years by the look of him.

3753. He is what you call a good sort, or he would not have been there so long?—That I cannot say.

3754. In the running of this farm it would not be possible really to run it as a paying proposition without cereals, would it?—No, but you could do with less because it is an excellent farm for wintering sheep.

3755. Do you mean on turnips?—Yes, or anything else you like. It is a very good farm indeed for wintering sheep.

3756. It would not be any good for a grass farm, would it?—No.

3757. It really is an advantage in farming from the farmer's point of view, as well as from the point of view of the nation, that cereal growing should be encouraged?—No, that does not follow—growing something other than grass?

3758. Yes?—That might mean growing turnips.

3759. You would not have the whole of the farm growing turnips?—Yes, I should grow turnips or something else if corn did not pay me.

3760. You have come to the conclusion, after a long life, and having taken a keen interest in the matter from an agriculturist's point of view, that the position of the agriculturist is absolutely hopeless without a guarantee from the State?—Until after things become normal, and no one knows how long that will be.

3761. Looking at it now, for instance, if prices dropped below a certain scale you feel that to keep the thing going it is necessary that the Government should give a guarantee to farmers?—I think my answer to that is this: There are a good many farmers on the lighter lands in Cambridgeshire, and I am told also in Norfolk, who will not make ends meet this year because the crops are so bad.

3762. And they want a standby, really?—Yes, as I said before, speaking as an agriculturist. What my views are in other respects I am not here to say.

3763. I am only asking you from the point of view of getting corn grown. We have to decide to do one of two things. We have to decide whether we can do without any additional corn growing. That is one thing, but if we must have corn grown we must decide upon the best means. That is why we want your views. You say the farmers must have some sort of guarantee that they will not be let down?—Yes.

3764. *Mr. Parker*: You interested me very much when you said that you attributed a large part of your success as a farmer to proper account keeping?—Yes.

3765. I gather from what you have said that you would be in favour of advocating universal account keeping by farmers, and perhaps you would go a step further, that farmers should not be allowed to pay Income Tax on double their rent, but only on the amount of their profit as shown by a trading profit and loss balance sheet?—In answer to your question I would like to point out to you what I wrote on this subject ten years ago. I think you know all this. I wrote this ten years ago with regard to Schedule B. I said that I should abolish Schedule B at that time in the interests of the other taxpayers of the country, and I should abolish it now in the interests of the farmers themselves, because if a farmer is not able to return under Schedule D—that is, on his profits—in all probability he will be paying taxes which he ought not to pay. Schedule B always has been an anomaly in our Finance Acts, and I should like to see it abolished. I had at the time letters from persons, some of whom are in the Government now, quite approving of what I said. I have also taken the view that for all purposes under Schedule D the three years' average is an absolute nuisance to business men, and I think more so in the case of farmers. It certainly in the case of a farmer should be a single year of assessment. I think that would assist them very much and encourage them more to try to keep proper accounts! As I have already said, I have seen certain farmers' accounts, and I have helped farmers to make up their accounts, and from what I have seen of their system of account keeping I should say that you could not expect farmers generally to keep accounts in the scientific way—if I may say so—that I keep my own accounts. But with some such encouragement as I have indicated I am sure that farmers could keep accounts to the satisfaction of the Surveyor of Taxes, and I should like them to be assisted in the respect that they should return under Schedule D, and that they should be assessed under the single year of assessment.

3766. *Mr. Robbins*: With regard to your estimate of £4 or £5 an acre at which you put the value of the lowered fertility of the soil, you include in that £4 or £5, I suppose, the cost of cleaning the land?—I do.

3767. The lowered fertility would be due possibly to two reasons?—If it is foul it would be included in the loss of fertility, but I mean both.

3768. It might cost you 50s. an acre to clean it quite apart from the loss of fertility?—Yes. One member of the Commission put it at a few shillings, but it is a great deal more than that.

3769. Have you any experience of piecework?—Not much—practically nothing during the last few years. Before the war we did try to do hoeing by piecework, and perhaps hedging, and so on, but not to any very great extent.

3770. *Mr. Smith*: On page 5 you give us the two tables of figures, one relating to the period of seven years up to September, 1914, and the other up to the 29th September, 1919. You have no figures of cost for the intervening years?—Do you mean 1914 to 1919?

3771. Yes?—Yes. I have got them.

3772. You have not submitted any?—No, and I am not going to. I gave the reason for declining to supply those figures at the beginning of my evidence.

3773. I understood you to say you considered that period to be a very abnormal one?—Yes, owing to the exceptional circumstances which arose out of the war.

3774. Would it be fair to assume that the figures were not unfavourable to yourself?—Yes. What I have stated I think shows that.

3775. Do I understand that you do not agree that the results of those four years would be favourable to yourself?—Yes, I do agree—they were favourable to myself.

3776. I notice you stated also in answer to a question which was put to you that there had been a fair living profit for farmers for the eight years before the war?—Yes, I should say there was a fair living profit; it was about a 10 per cent. profit.

3777. And before then the circumstances might be termed bad?—For about ten years before then the

farmer either lived on his own capital or on his landlord's capital.

3778. Previous to that time?—Yes.

3779. Is it not true that a number of farmers are not possessed of a great deal of capital, and that some of them are working on borrowed capital?—They were.

3780. And therefore if they happen to have a very bad time nothing could keep them from the Bankruptcy Court?—It did not keep them from the Bankruptcy Court. Thirty years ago they were going down like ninepins.

3781. I am taking the period leading up to the eight years which you have mentioned. I understand that from 1906 there has been a fair living profit for the farmer?—Yes.

3782. Previous to that the position and circumstances of the industry were very precarious and men had to live on their capital?—Yes, previous to that.

3783. In the case of farmers who had no capital, if they were in that position they could not be long without going bankrupt?—Up to 1907 certainly a study of the "Gazette" will show that that was the case.

3784. I understood you to state that in 1905 farming was a fairly remunerative business?—It showed a living profit, not an extravagant one, under pre-war conditions when the pound was worth a pound.

3785. 1905 would be just about the end of that very bad period which evidently you have in mind?—Which commenced in 1879.

3786. You still thought, in face of that, that the industry was a profitable one and gave encouragement to the farmer. That was your opinion at that time?—I do not think I said that.

3787. I rather gathered that was your answer to the question Mr. Thomas Henderson put to you with regard to the evidence you gave before the Royal Statistical Society?—I will go so far as to say this, that the industry so far as I knew it for the seven years before the war gave a farmer a reasonable return on his capital and a living, if you like, to a man who was careful and who was not indebted to anybody for capital.

3788. You would agree that some farmers were working on borrowed capital previous to 1906?—Up to when?

3789. In the 1906 period?—Many of them—in fact, I could go so far as to say most of them—but when you have so many experts in the room here I do not know why you should ask me that.

3790. I am rather questioning you on your evidence?—I have as Chairman of the Income Tax Commissioners for a good many years in our county had opportunities of knowing—of course, I cannot divulge what I have learnt—but generally I should agree that a very large number of farmers had borrowed capital.

3791. You stated that the conditions of the industry before 1906 were such that men had to live on their own capital?—Prior to that, and they did.

3792. You also stated in answer to Mr. Langford that not many farmers do as well as yourself?—I think I have done quite as well as, if not a little better than, perhaps, the majority of farmers who have similar occupations.

3793. If your own personal experience of farming is such that in 1906 you considered the industry did not give a return and farmers had to live on their capital, those who had capital, what must have been the position of farmers who were working on borrowed capital and who were not doing as well as you were doing in farming?—Their position was simply hopeless and many of them were bankrupt.

3794. I understood you to say in reply to a question by Mr. Thomas Henderson that in the evidence you gave before the Royal Statistical Society in 1905 the Bankruptcy Courts did not show that farming was a very unremunerative industry?—I do not remember that.

3795. I rather understood Mr. Thomas Henderson to put that point to you as one of the statements you made on that occasion?—I do not remember saying that, but I can look it up at home. I have no recollection of saying it.

3796. Could you tell us what your average crop has been per acre for those six years?—I could give you the average crop for 21 years of wheat, oats, and barley—the average quantity, the average price, and the average cost per acre.

3797. What was the average for wheat?—I cannot tell you from memory, I have got it all at home.

3798. Would it be a higher average than for this year?—Far and away higher.

3799. 1919 would be a lower average?—I looked back the other night, and as far as I could tell I should have to go back to 1901 to find the quantities as low as I estimate they will be this year.

3800. Do you consider that is due to it being a bad season this year?—We have had the seasons at the wrong time all the way through the year beginning last September.

3801. The season from the point of view of your farm has been a very bad one, has it?—Very bad.

3802. In regard to the deterioration of the land, over what period do you carry that back?—I was only dealing with deterioration arising out of labour conditions during the war and the Government control combined.

3803. You say you estimate the average crop this year at 3½ to 4 quarters per acre?—I do not think it will exceed 3½ even on better land for barley or wheat. I have grown on my land 6 quarters of wheat and 6 quarters of barley at times, so that it is not very bad land.

3804. That would not be in an unfavourable season?—No, in a very favourable one.

3805. You cannot give us the average?—No, but I could get it for you.

3806. It does not follow that the bad crop this year may not be due to deterioration of land; it may be due to the bad season?—I would not say that followed at all; it may be due to both.

3807. You could not say that it is actually due to deterioration, and that therefore the deterioration exists?—I cannot prove that.

3808. That is an estimate on your part?—Yes, entirely.

3809. Therefore it may not mean an expenditure of £4 or £5 an acre to put it back into condition again?—No, but it may cost more.

3810. It may cost considerably less?—I would not put the word "considerably" in; it may be less.

3811. Do you know of any existing defects which are prejudicial to farming which might be removed by national effort?—Your question is rather on a par with four questions we have been asked lately. We have been asked to instruct the Prime Minister what was to be done with the landlord, and with the labourer, and with the tenant, and with the land.

3812. Do you think that the transport facilities, for example, are as good as they might be in the interests of the industry?—No, I think they are not.

3813. You think that the industry might be helped by an improvement in that direction, at any rate?—Yes, I should admit that.

(The Witness withdrew.)

SIXTH DAY.

WEDNESDAY, 20TH AUGUST, 1919.

PRESENT:

SIR WILLIAM BARCLAY PEAT (*Chairman*).

DR. C. M. DOUGLAS, C.B.
MR. G. G. REA, C.B.E.
MR. W. ANKER SIMMONS, C.B.E.
MR. HENRY OVERMAN, O.B.E.
MR. A. W. ASHBY.
MR. A. BATCHELOR.
MR. H. S. CAUTLEY, K.C., M.P.
MR. GEORGE DALLAS.
MR. W. EDWARDS.
MR. F. E. GREEN.
MR. J. M. HENDERSON.
MR. T. HENDERSON.
MR. T. PROSSER JONES.
MR. E. W. LANGFORD.
MR. R. V. LENNARD.
MR. E. H. PARKER.
MR. R. R. ROBBINS.
MR. W. R. SMITH, M.P.
MR. R. B. WALKER.

Mr. CASTELL WREY, called and examined.

(*Evidence-in-chief handed in by Witness.*)

3814. I propose with the approval of the Royal Commission to submit*:—

1. Cost prices of production for 1917–18 on a 2,700-acre farm in Northamptonshire of—
(*a*) Wheat after Beans.
(*b*) Wheat after Clover.
(*c*) Spring Oats after old Turf.
(*d*) Winter Oats after Clover.
(*e*) Barley after Carrots.
(*f*) Mangolds after Ensilage.
(*g*) Swedes after Carrot failure.

2. And for 1918–19, as far as crops and season will allow—
(*a*) 2 fields of Hay.
(*b*)
(*c*) 1 „ „ Wheat after fallow.
(*d*) 1 „ „ Barley after Potatoes.
(*e*) 1 „ „ Oats after Clover.
(*f*) 1 „ „ Beans after Flax.

3. Profit and loss account and balance sheets for the years 1911 to 1918 inclusive, on a farm varying from 4,150 acres to 3,700 acres with expenditure on manures, labour, feeding stuffs, etc., shown for each year.

I am prepared to submit evidence from my own experience on—

4. The ultra-conservatism and lack of adaptability of the majority of the farming community.

5. The increasing lack of skilled labour and apparent callousness of the younger workmen employed in agriculture.

6. The extraordinary conditions applied to agriculture by the Wages Board which to an outsider appear irreconcilable to the economic prospects of the agricultural industry.

[*This concludes the evidence-in-chief.*]

3815. *Chairman*: You have been kind enough to submit a short *précis* of what you propose to give evidence upon. May I ask you to be so kind as to tell the Commission whether you have got copies of the cost prices of production for 1917–18 on a 2,700-acre farm?—I have 15 copies of each—lettered "A." (*Handing same.*)

3816. Have you got copies for 1918–19 as far as crops and seasons will allow?—Yes, I have 15 copies of each. (*Handing same.*)

3817–18. I think those copies may as well be distributed now?—Certainly.

3819. Have you got the balance sheets to which you refer?—Yes; but I have only five copies of those; I have not had time to get any more. (*Handing same*).

3820. Would you be so kind, having regard to the fact that we have only got those papers this morning, to go through them in the order in which your *précis* is given, and explain shortly and generally the results at which these statements arrive, and then the procedure would be that I should ask the gentlemen on the Commission to address to you any questions which may occur to them in regard to the statements or in regard to the method in which the results are arrived at?

Mr. Smith: Arising out of that, I think I should give notice this morning that at the next meeting of the Commission I shall move that we have this information in our possession so many days prior to the evidence being taken. I think this is a most unfair way so far as procedure is concerned. We

* These tables will be published with Mr. Castell Wrey's later evidence upon them.

get these figures placed before us a minute or two before the witness appears on the scene, and it certainly is not business, to say the least of it. If we do not have the *précis* of their evidence before then, we have got to hold it up. I give notice.

3821. *Chairman*: May I trouble you, therefore, to begin with the first of these items, which I think is 1 (*a*)?—No. 1 (*a*) is Wheat after Beans, and all the costs of production that I have given cover the actual labour expended on producing the crop.

3822. Preliminary to that, may I ask if you have any books of account?—Of costings?

3823. Yes?—Yes.

3824. These are results from your costings books?—Yes.

3825. Then will you please just explain 1 (*a*) and its results?—The result of this was that the cost per acre was £5 5s. 2d., and the cost per quarter was £1 7s. 3½d. It includes the actual items of labour, rent, rates, management, interest on machinery.

3826. What are the items on the left hand side with the dates opposite?—That is the date, the number of men employed and the rate they were employed at; the number of boys employed and the rate they were employed at; women and rate; horses and rate; and German prisoners and rate.

3827. The next statement is 1 (*b*), I suppose?—Yes.

3828. That is headed "Wheat after Clover"?—Yes.

3829. And the same items of cost, I suppose, relatively?—Yes.

3830. And the result there is cost per acre £4 19s. 1½d.: per acre, £1 11s. 8d.?—Yes.

3831. Then the next is 1 (*c*)?—Yes—"Spring Oats after old Turf."

3832. The result there is: Cost per acre, £6 10s. 10d.; cost per quarter, £6 10s. 10d.?—Yes, they are identical.

3833. The next is 1 (*d*)?—Yes—"Winter Oats after Clover."

3834. The result there is: Cost per acre, £4 14s.; and cost per quarter, 16s. 7d.?—Yes.

3835. And your next statement is 1 (*e*)?—Yes; that is "Barley after Carrots."

3836. That is: Cost per acre, £6 5s. 10d.; and cost per quarter, £1 16s. 6d.?—Yes.

3837. The next is (*f*)—"Mangolds after Ensilage"?—Yes.

3838. Cost per ton?—12s. 7d. per ton; cost per acre, £14 13s. 6d.

3839. The next is 1 (*g*): that is, "Swedes after Carrot failure"?—Yes.

3840. There is no conclusion in regard to that?—It is impossible to arrive at the cost of production per ton, because the sheep feed them on the land; but the cost per acre should have been shown there; I regret that it is not. It is only a matter of dividing the total by 9.

3841. Generally speaking, do you include interest on capital?—No.

3842. Interest on capital is not there?—No.

3843. Do you include anything for management by the farmer?—Yes, management is here; in every case half of the agent's salary and the whole of the bailiff's wages go in as management.

3844. You put interest on machinery?—Yes.

3845. Is not that a part of the capital?—It is; but on a farm of this size it is impossible to make any accurate charge for, say, the use of a binder or the use of a horse hoe or hand-rake, or any small item of that sort, and I lump the whole of the machinery and implements employed on the farm and divide it by the number of acres.

3846. In the rents, rates, and taxes, is there anything for Income Tax?—No.

The Chairman: I will ask Mr. Walker to begin.

3847. *Mr. Walker*: I do not propose, Sir William, to deal with those balance-sheets, because I think it is very unfair that we should be asked to deal with them when they are put in front of us at a moment's notice; but I would like to ask Mr. Wrey what he means exactly by his statement in paragraph 4 of his main evidence?—You mean you have finished with the costings?

3848. *The Chairman*: No. This particular member of the Commission is not asking you questions on the costings at the moment, but is beginning to ask you a question with regard to item 4 of your *précis*, which is, "The ultra-conservatism and lack of adaptability of the majority of the farming community." He is asking you for the foundation of that statement?—Might I suggest that we deal with the costs first while we are at them? I have my papers in order.

3849. It might be very useful, but Mr. Walker, a member of the Commission, feels that he would like a little more opportunity of looking at the costings before asking questions about them?—I have a letter here from my Chief, which I should appreciate very much if you would be good enough to read to the meeting for me.

3850. If you please. The witness desires me to read this letter. It is from Major Leonard Brassey: "Dear Wrey,—I have your telegram, and you are at liberty to use the farm balance sheets for the past eight years in giving evidence before the Agricultural Commission. While I am quite ready to assist the Commission and the farming community with this evidence, I do not desire more publicity than necessary, and in giving your figures I think there are a few facts that should be stated: 1. That the farm expenditure includes no sum whatever for manager's salary or clerical work. 2. That I have received no interest whatever on the capital provided for stocking the farm, &c. 3. That I have spent considerable sums on farm buildings, &c., on which the farm has paid no interest. 4. That a considerable amount of work, such as fencing, roads, and drainage has been done by the Estate for the benefit of the farm, for which the farm has not been charged anything. P.S.—It may also be well to explain that all the Farm Produce supplied to me has been paid for at full market prices." May I put that on the proceedings of to-day?—Yes.

3851. That is from Major Leonard Brassey, who is the proprietor of the farm of 2,700 acres in respect of which you are giving evidence?—Yes. Major Brassey is M.P. for the Peterborough Division.

3852. *Mr. Walker*: I want to ask you what you mean exactly by your statement in paragraph 4 of your main evidence?—By that statement I mean that, although there are very fine examples to the contrary, I consider that the farming community on the whole is ultra-conservative. They will stick to their old-fashioned methods. They do not get the class of machinery which is most economical, and even if they see the machinery they are not kind in adopting it. It takes a great number of years for them to get an idea of any novelty into their heads. In the same way, they do not read papers like the "Journal of the Board of Agriculture" or other scientific works, which they might do with very great advantage to the economic conditions of agriculture, I think. I have one or two small examples here which on a small farm would not make very much difference perhaps—possibly £10 or £15 a year to the farm; but if the whole of the agricultural community is taken into consideration, I feel certain that it would make a difference of millions. I have an illustration here which I took out of the "Farmer and Stock Breeder" last week, which I should like to circulate.

3853. You said just now a difference of millions. A difference of millions of what?—Of pounds sterling.

3854. You think, therefore, that there is a great deal of room for improvement so far as our farming as it exists in this country to-day is concerned?—Yes, I do. May I continue that statement in paragraph 4?

3855. Yes?—The picture that I am circulating there is a picture of a binder being worked on a nice level field. The binder is evidently a 4 feet 9 inches cut, and two horses of the type shown in it are ample to deal with it. The boy, who is riding the chain horse, from the length of leg displayed, I should imagine is

about 16 years of age, and would be earning 8s. a day

3856. 8s. a day?—Yes.

3857. In what particular locality or district is this particular farm situated?—Northampton.

3858. The district?—The Oundle Rural District. If we allow that the field was a hilly one instead of being perfectly level, and a third horse was necessary, the horse should be attached to the whipple tree and not used as a chain horse, as it is a proved fact that the nearer a horse is to his work, the heavier the pull and the less the strain to the horse. The binder is not fitted with a sheaf carrier, which is also an uneconomical method of cutting. I consider that there is a great waste of man-power and horse-power in that illustration. Only on Saturday last I saw four similar examples in the 15 miles journey I made by road.

3859. But whose fault would that be?—The farmers, I think. I have still other items on paragraph 4, if you care to see them. There is another picture of more waste of labour. (*Handing same.*) There is a picture of a hay loader loading hay into a cart with two horses pulling the cart; and a man leading each horse. It is a most extravagant waste of labour and of horse-power. In the first place, a wagon should have been used and not a cart. Secondly, the two horses should have been abreast and not one used as a chain horse. A boy of 14 could very well drive the pair of horses if they were working abreast, and the two active young men depicted in the picture could be far better employed elsewhere. I consider that one man and a strong boy or girl are enough for this work, and that there was a daily waste of wages to three men, and a waste of horse-power. Then I have figures here of cutting corn on the Apethorpe Farm last week. Merely for the matter of argument I have put the wages of the drivers of the binders at 1s. per hour, and the charge for horses at the local custom of 6s. per day. The first field I cut was 36 acres. It was cut with an 8 feet binder in 21 hours, which is at the rate of 1·714 acres per hour, and the cost of the actual cutting was 21d. per acre. The binder, string, oil, &c., are not counted in any of these examples. The second field I cut was 19 acres, which was also cut with an 8 feet binder in 10 hours, which is at the rate of 1·900 acres per hour, and a cost of 19d. per acre. This field was cut quicker than the previous one, owing to the field being more level, and also that the binder was in perfect order, having been working for two days. The third field was a field of 26 acres, and was cut with a 7 feet binder and took 26 hours, or at the rate of 1 acre per hour, and at a cost of 30d. per acre, thus costing the farm 9d. and 11d. per acre more than the 8 feet machine. When one thinks of the comparatively few large binders in use in this country, and the enormous area cut every year, a vast waste of time, energy, and money is disclosed. The above argument holds good in many of the farming operations carried on daily.

3860. Were these examples taken from different farms?—From different things I see as I am travelling about. The last example of cutting was taken on my own farm: my own men working and checking their hours themselves.

3861. So that you do agree that there is such a thing as waste of labour?—Certainly. I have one more item here. That is the matter of selling cattle and sheep on the weighbridge. The majority of farmers are very much against this method of selling, and I have found great opposition myself in selling to butchers on the weighbridge. The farmer, it must be taken for granted, is an expert at his profession *qua* farming, but farming embraces so many operations that the farmer has not the time to put the whole of his time to studying the butchering trade, whereas the butcher has the one subject to study—namely, the yield and killing qualities of the beasts he is daily buying, and it seems more than strange to me that the average farmer is prepared to deal with the butcher in his own yard on such disadvantageous terms. I have met with great opposition from the butchers by selling on the weighbridge, but I consider that this system is the only fair one from a farmer's point of view, although in the past I have bought thousands of fat cattle (that was abroad—not in England), but at that time my whole energy and time were concentrated on the fat stock market. I was not a farmer in the morning and a butcher in the afternoon. I consider that thousands of pounds are lost to the farming community and go into the butchers' pockets yearly, and will continue to do so as long as the average farmer has the temerity to pit himself against the expert butcher.

3862. *Chairman*: Is that the conclusion of your observations on that point?—Yes.

3863. *Mr. Walker*: You say in your concluding remarks that the farmer has not the time or has not the ability to apply himself as it were to the different routine of his particular work. What remedy would you suggest?—I did not quite follow your question.

3864. You say there that the farmer has not the time and has not the ability to apply himself to the different routine of his work—the different phases of farming. What do you suggest as a remedy?—I do not think I said that.

3865. I am sorry if you did not: I understood you to say so?—I said the farmer has not the time to put the whole of his time in studying the butchering trade.

3866. I beg your pardon. I thought you said so far as farming generally was concerned. I take it you meant that that was one phase of his work that he might study?—Yes.

3867. To find a better system than he has got at present, what do you suggest?—I suggest that he should sell all his cattle on the weighbridge; that is the fairest medium between the butcher and the farmer.

3868. That is your suggestion?—Yes.

3869. In paragraph 5 you say: "The increasing lack of skilled labour and apparent callousness of the younger workmen employed on agriculture." What do you mean exactly by that?—I think that, with the exception of a few of the older men employed on farms, there is no doubt to my mind that the labourer has wilfully deteriorated in his work, in punctuality and in application; and I consider that the agricultural labourer has done less than any other class of worker to help to secure the victory the nation has been fighting for, and has done it knowingly, conscious that the farmer could not dismiss him owing to being unable to replace him.

3870. Do you say "wilfully"?—Wilfully.

3871. Might I ask through you, Sir William, whether Mr. Wrey read Mr. Lloyd George's speech the other night in the House of Commons?—I am afraid I did not.

3872. Would you be surprised to know that the Prime Minister himself stated that there was a decrease in production in every industry with one exception, and that exception was agriculture. How do you reconcile the two points?—Because the farmers themselves have worked in the last four years as they have not worked for many years. It is not through agricultural labourers.

3873. So the agricultural labourers had nothing to do with the increased production?—Very little; as little as they could do.

3874. Would you be surprised if I gave you instance after instance now where farmers attend markets five times a week? Can you tell me how these farmers have been able to assist in the production of foodstuffs?—I think farmers who do that are worthy of great censure.

3875. But would you not be surprised to know that there are thousands of cases such as that?—I do know it; in fact, I have a note to that effect here, which I will read to you, if you like. "It has been complained that the farmers say they cannot pay the high wages and that a number of farmers spend six days a week at various markets and do so in expensive motor cars. Often the labourer is in a

position to know that the farmer has nothing to sell off the farm and that he practically goes to see his pals. This is not inducive to hard work on the farm, as even the worker mouse will play when the farmer is away. It is considered that if the farmer could obviously make money when absent so much from the farm, evidenced by the expenditure on petrol and in many cases on a chauffeur's wages as well, the worker was entitled to share more fully with the farmer in the good things of the world." I had thought of that point.

3876. So that it is your emphatic and considered opinion that labour has deteriorated?—Certainly.

3877. Wilfully?—Wilfully.

3878. Can you give us any concrete examples?—Thousands of small ones.

3879. I ask you, can you give us any; I would like to hear them?—Of what sort?

3880. Such as you have instanced now?—I had a case only last week when I started thrashing oats direct from the farm. Two of my men wanted to go off to play in a cricket match, and they went. They gave me no notice, and I had to stop, and the whole of my gang was upset. That is what I call wilfully stopping work.

3881. But that, I submit, would not be wilful deterioration so far as their actual labour when they are at work is concerned?—And also when they are at work, with the exception of a few old honest men, I can prove from my wages sheets that the amount of work is not done that was done formerly. It takes longer to hoe a field, stook a field, or any other operation, than it used to.

3882. What are the extraordinary conditions applied to agriculture by the Wages Board to which you refer here?—Not having any knowledge of the inner workings of the Wages Board, it appears to an outsider like myself as if the industry of agriculture has been treated by the Wages Board as if it were under a glass roof. No allowance appears to have been made for dew, sunshine or cloud, wet days or fine, and it appears to me that it is a distinct hindrance to output of work that a man of 30 to 45 years of age who is thoroughly skilled and possibly the father of three or four children should have to work for the same wages as an unskilled and not fully developed youth of 21, as it naturally tends to make a skilled man sore that he should be treated on the same level as the unskilled youth, and thereby reduces his output of labour, and he works down to the level of the unskilled man instead of the unskilled man working up to the level of the skilled one. It is quite impossible to encourage really skilled men with an increase in wages, as immediately the bad and unskilled ones want equality of wages, and it is impossible to pay more than we are at present paying for unskilled labour.

3883. You have no knowledge of the inner working of the Wages Board?—No.

3884. I am quite certain of that. Are you aware that the wages fixed by the Wages Board are minimum rates?—Yes.

3885. And you would be quite at liberty to give to the men whom you have been referring to a higher rate if you so desired for greater skill?—Yes.

3886. You can do that?—Yes.

3887. So that you would not be penalising the men, as you suggested just now?—Yes, I should, because immediately I give it to the good men, the bad men want it as well, and if I did not give it to them, they would leave.

3888. Is it not a fact that what you are really after is for making the minimum the maximum?—No, certainly not. I am all in favour of encouraging good labour.

3889. You have the opportunity now. All the Wages Board has done is to fix minimum rates.—Excuse me: I have had practical experience. If I raise the wages of a good labourer, the bad labourer immediately wants the same wage, and if I do not give it to him, he leaves me, and I cannot afford to lose him.

3890. Is that the only complaint you have against the Wages Board?—I have also the complaint that they lessen the hours and make the overtime excessive. They treat us as if we were under a glass roof instead of being in the open air.

3891. Can you tell the Commission whether you know of any industry where good wages and good conditions prevail and have prevailed that has suffered in any way as a result of these good wages and good conditions?—I am afraid I do not know enough about other industries to criticise them.

3892. Your experience does not extend beyond agriculture?—No.

3893. And that is the only complaint you have against the Wages Board, so far as you are concerned?—That is the only complaint I have against the Wages Board, and it is a most serious complaint.

3894. And you do not know of any other industry that has suffered as the result of good wages and good conditions?—No, I do not, because I do not know of any other industry.

3895. *Mr. Smith*: May we take it from your answers that you think better results can be obtained from the industry by better organisation?—Yes.

3896. And that is an obligation that should fall upon the farmer?—Or on the State, I think.

3897. Or on the State?—Possibly.

3898. To organise the industry on a farm?—To educate the farmer how to use his implements, etc., to the best effect.

3899. Yes; but the organisation of the farm work—would that be a matter for the farmer or whoever was acting for him as a steward or bailiff?—Yes; by means of education he would get it into his head and he would do it, I think.

3900. Would you agree that in order to get proper results from the industry there must be effective organisation of farm work?—Hardly that. I do not see how you can organise the whole farm work, because the farms vary so much in the quality of land they are dealing with. It is impossible to put them all in a bag and say: You must do this. You must treat each farm on its individual merits.

3901. You are rather strong in your opinions regarding the character of the labourer. How long have you held this opinion as to his deterioration?—Certainly since the war started—since labour began to be scarce.

3902. Do you think it is a fair test to apply to a worker the experience of war conditions?—Yes. It is the test of the men who went out and fought to keep him where he was. They went through a much more severe test.

3903. Do not you think that the war period has been the means of unsettling all sections of the population—workers as well as others?—Yes, certainly.

3904. And that the strain of the war period must be reflected in their work and life?—Hardly with the agricultural labourer, because I do not think he knew enough about the war.

3905. You do not suggest, do you, that a man who had sons over there, because he was an agricultural labourer, had less anxiety than others had?—I know of one case where they certainly had.

3906. They had no anxiety—no anxiety for their relatives or their sons?—None whatever, in one case.

3907. Would you say that is general in the case of the agricultural labourer?—I do not think it is, I am glad to say.

3908. Is it not rather unfair to take one case to illustrate the position?—You asked me if I knew and I said yes.

3909. But you only knew one case?—Only one case, but there is more callousness, I think, amongst that class than any other. They do not read the papers; they cannot pronounce the names if they do read them.

3910. Is it not the fact that all people who have studied this question have come to the conclusion that the minds of all sections of the people have been disturbed as the result of the war conditions in a manner that has not permitted of the same effort that

has obtained previously?—I should think very possibly that is true.

3911. And that would apply to the agricultural labourer as well as to other sections of the community, would it not?—Not so much to him as to other sections, I think.

3912. Is it not true to say that you have had the best of your labour taken during this time?—Yes, I think it is.

3913. It would naturally follow, would it not, that between the age of 18 and 45, those periods would cover the best of the labour?—Yes, 18 to 45 certainly.

3914. The best years of their life?—Yes—or say 24 to 45.

3915. And, therefore, naturally the labour would have deteriorated by virtue of the fact of the best having been taken?—Yes, I think it would.

3916. So therefore the deterioration might take place without any reflection being cast upon the labourers?—No; because I have my wages books from which I can see exactly what the men did four or five years ago and what they do now: men who have not felt the strain of old age, men in their prime, and they do not do the same amount of work as they used to.

3917. And you do not think that any of these results are in any wise due to war conditions?—Not in the agricultural labouring community.

3918. The agricultural labourer has not felt the strain the same as other sections have?—No.

3919. Would you suggest that he is more callous than the other people?—He is less educated, and does not read the papers. If he does read them, he does not understand the military tactics. I do not think the war has appealed to him as it has to the educated classes.

3920. Even from that standpoint you would not blame him for not being educated; he would be more entitled to sympathy, would he not?—Probably, yes.

3921. That is rather a reflection on the rural conditions of the past?—Yes.

3922. Is it a good thing to have labour uneducated?—Certainly not.

3923. Do you think that you could develop the standard of labour necessary unless the remuneration is adequate?—No, I do not.

3924. That a man ought to be relieved as far as possible of domestic difficulties if he is to have his mind free for work during the day?—Yes, I quite agree with you.

3925. He cannot be free from domestic difficulties unless he has adequate remuneration for his labour?—I agree.

3926. Not merely adequate in the sense of payment for labour, but adequate in the sense that it enables him to meet his domestic obligations?—Yes, I think it ought to be.

3927. You stated about men going off to a cricket match. When was that?—Last week.

3928. At what time?—About one o'clock, I should think.

3929. What day was it?—Friday.

3930. The men left their work on a Friday?—No. I beg your pardon: it was on a Saturday.

3931. Would the men be entitled to leave work?—Yes; but if we ask them to keep on, we expect them to do so in harvest time.

3932-3. Had you made a request to them to continue working?—Yes; we should not have started threshing if we had not thought they were going to work all day.

3934. May we take it that you had approached these men to continue working and that they had started the threshing on the understanding that they would work, and then they broke that undertaking?—I did not go to each man individually and say: Will you work all day? It is an understood thing by the men and has been the custom for years that if we start to do a job, they will see it through.

3935. But have not the customs changed to that extent and have not the hours been altered?—Yes; they get a half holiday.

3936. And does not that necessitate entirely different understandings from what you had previously?—No, not altogether. We do not ask the men in harvest time if they are going to take a holiday or not. We take it for granted that they are going to work on and get the overtime rate.

3937. But surely it is worth while to have a clear understanding on these points, if it is only to avoid things of this description?—One will have to in the future, I am afraid. You cannot trust them.

3938. But surely, it is not a question of trusting them. It is a question surely of a common sense policy of understanding. If a man's working week finishes at one o'clock and he is required to work beyond that, surely the man ought to be told or ought to have it intimated to him that that is necessary?—I think if a man knows we are starting threshing and he had said to us, I am going to play cricket this afternoon, we should not have got up steam. We should have saved two or three cwt. of coal, to start with.

3939. You know that these cricket matches do take place?—Yes.

3940. Do you suggest that they are undesirable?—Not at all.

3941. Do you agree that if the labourer is to be retained on the land, his surroundings have got to be made more pleasant than they have been?—I think the more pleasant you can make them, the better for the farmer and the labourer.

3942. That it is desirable to break down the monotony of village life as it has been for some time?—Yes, as far as possible. But you cannot treat agriculture as if it were under a roof; you must thresh when the weather is fine.

3943. And one of the best ways to break down that monotony is to give the labourer some chance of recreation?—I quite agree.

3944. And therefore you do not look upon cricket as undesirable?—Not at all; I would like to see them play every week.

3945. Having admitted that, does not it suggest to your mind that it being a desirable thing for both from your standpoint and that of the labourer it would be well if there were some clear understanding during these periods to avoid such difficulties as you have referred to? Is not this really part of the organising that is wanted on the farm to get the proper results?—Have you had any farming experience yourself?

3946. No, I have not?—I am managing a farm of 2,700 acres, and if I have got to ride round every morning and ask the men if they are going to play cricket or not, I should waste all my time on horseback.

3947. You do not suggest that it is necessary that you should have to go round to each man?—Somebody else would have to do it if I did not. It would be an enormous waste of time.

3948. You surely do not suggest that, especially in regard to threshing where the men work in companies. Is not there generally some man who is considered a representative, a leader of the company, or something of that sort, or over-lord, or whatever term you may use?—We have a farm foreman, if that is what you mean.

3949. Yes. Could not you work through him and get these understandings?—We shall have to, I suppose, in the future, if labour goes on like this.

3950. But surely you have never considered it desirable that you should go round and approach each man in order to organise the work of the farm properly?—No; it has never been necessary in the past. If the men are going to leave us in the lurch, we shall have to do it.

3951. You do not suggest that seriously, do you?—Yes. Labour has got so unmanageable now that I do suggest it very seriously—wilfully unmanageable.

3952. You seriously suggest that the desire to participate in a cricket match which may have been arranged weeks beforehand without the knowledge that threshing or harvest operations would be taking place during that period is a wilful act?—Yes.

3953. I am sorry I cannot agree with you. You speak of the increase of the lack of skilled labour and the callousness of young workmen employed on agriculture: do not you think that during the war the knowledge that young men would be automatically

drafted into the Army at 18 has caused them to lose interest?—Interest in their work?

3954. Yes?—No, I do not think so—rather the other way I should say.

3955. Then I suggest to you that agriculture has had a different experience from what most other industries have?—From what I have seen, most of the agricultural labourers tried to be as good as they could on the farms so as to get exemption from the Army.

3956. Does not that rather destroy your contention of the indifference and the callousness? That is rather an opposite view, is it not?—It was studiedly done, I believe, to keep out of the Army.

3957. They took more interest in their work and worked together, whereby their services would become more indispensable?—Yes, so as to keep out of the Army.

3958. That is rather a contrary view to what you have stated here and what you stated previously in your verbal evidence?—I do not think so.

3959. How can you have callousness and indifference and at the same time have application to their work to make themselves more efficient?—You see the war has been over since November, and I have seen it more apparent since the Armistice than at any other time. I certainly think that the majority of the work that the young fellows did do was done with the object of keeping out of the Army more than studying the farmers' interests or earning their money.

3960. You really think that you are capable—I do not mean in an offensive way—but you have the opportunity of really judging why young men were inefficient in their work?—Yes, I think I have. I have seen a great deal of labour all over the county of Northampton in the last four years.

3961. Have your older men deteriorated?—Yes, with one or two exceptions. I have some of the older men who have been more than invaluable to me; every praise is due to them.

3962. Therefore, in their case it would not be because they desired to keep out of the Army?—No; it was simply the way they have been brought up to work hard and to look after their master's interests, and they have continued to do it. I am most grateful to them.

3963. Do you think it is in the interests of the industry to have more extended education in the schools and the days following what is considered to be school life?—Yes, certainly.

3964. You would agree that it is desirable to have as good an educated working population as it is possible to have?—Yes.

3965. Is there any other thing you know of that acts as a handicap to the industry in its development? —I think education for the farmer and the labourer is very, very wanting.

3966. And you would agree, so far as the education standpoint is concerned, the difficulty is as great with the farmer as with the labourer?—Yes, I think so, with certain exceptions.

3967. Would the difficulty be greater on one side than on the other, think you?—No; it is quite possible that the labourer and the young farmer might go to the same school and learn the same train of thought.

3968. I suppose you would agree that if the farmer was not well educated and did not well understand his work—if he did not understand up-to-date methods—you could not expect the worker on the farm to develop on the best lines?—I do not think you could.

3969. To get the best results, one of the essentials is that the head should well understand his business? —Yes, it is most important.

3970. If he did not, however well the labourer might be educated, the best results would not be obtained? —I do not think they would.

3971. Could you tell us whether in your experience the lack of adequate transport has added any difficulty to the industry?—Transport does not enter much in the farmer's life, I think. We deliver our wheat on rail, and if there is not a truck we grumble, if we have to take our cart there. Once it is on the rail we hear no more about it.

3972. Is your farm fairly well situated so far as railway service is concerned?—One end is very well situated; the other is not.

3973. Is it your opinion that the interest of the industry could be better served with greater facilities for transport?—I have read a good deal about it. It always appears to me that these foreign goods come in here at a marvellously low rate and compete with our goods upon which the rates are excessive, but I have hardly studied the question, and I am not prepared to give evidence upon it.

3974. Apart from the question of the rates of freightage, I am now looking at this question from the point of view of getting stuff to and from the farm. If you have long haulage to a station, it would be more expensive than if you had a station close to? —Naturally.

3975. Is it your experience that the industry could be helped by better facilities for rail transport?—It is a point I have hardly thought about, so far as small farms go. I think it would be very hard to organise it. On a large farm like this, of course we ought to have our own tractors or our own motor-lorries, or something. We have not got them; we ought to have them.

3976. *Mr. Robbins*: Have you any suggestions to make to us which might help us in making recommendations to the Government as to how best to secure the favourable economic prospects of the industry?—I think a great deal may be done by advertisement.

3977. By advertisement?—Yes. I have some figures here if you would be patient enough to listen to them, on the question of sulphate of ammonia. The Board of Agriculture extensively advertised and recommended the use of sulphate of ammonia during the war, and I am indebted to the managers of the gasworks at Peterborough, Reading and Nottingham for the following figures and facts. Peterborough formerly sold the bulk of their output to shipping agents, but since 1916 have sold the whole for home consumption. In 1916 they sold 110 tons, in 1917 they sold 92 tons, in 1918 they sold 56 tons, and up to date in 1919 they have sold 51 tons. I telephoned the manager and asked him how he accounted for the decrease, because I thought there was a very large increase, and he answered back that the decrease was entirely due to the quality of the coal they had been receiving; also that the labour difficulties have been great, and they have not been able to turn out as much as they would have liked to. They could have sold much more if they had had it. The figures for Reading are in 1913, 55 tons; in 1914, 252 tons. 1913 was pre-war, and it was hardly used by the farmers in those days. In 1915 it was 335 tons; 1916, 285 tons; 1917, 488 tons; and 1918, 468 tons.

3978. *Mr. Ashby*: For home consumption?—All for home consumption. The figures for Nottingham are in 1913 they sold 185 tons; in 1914, 156 tons; in 1915, 201 tons; in 1916, when the Board started advertising, they sold 843 tons; in 1917 they sold 501 tons; and in 1918, 1,311 tons; all for home consumption. But this year they have exported over 2,000 tons.

3979. *Mr. Robbins*: One of your suggestions is to have a more efficient intelligence department of the Board of Agriculture?—Certainly.

3980. Have you any other suggestion to make?—That is merely an example, and there are a great many other themes and theories that the Board might take up and advertise extensively as they did with that. The cost of advertising must have been trivial, and there is no doubt that the gasworks helped to pay for the advertising; it was a by-product. It was good for the nation, and there ought to be no export of it until the farmers have got all they want.

3981. Are you in favour of the Government guarantee for the price of cereals?—As long as they guarantee a minimum wage, we ought to have a guarantee that we shall not lose by growing corn for the nation.

3982. I have not seen the balance sheets which I understand you have put in.

3983. *The Chairman*: They are not put in yet?—I have not put them in. I was asked to go on to No. 4 and leave the costs.

3984. *Mr. Robbins*: I want to ask you one question about Major Brassey's letter. I understand he says "That the farm expenditure included no sum whatever for manager's salary or clerical work. That I have received no interest whatever on the capital provided for stocking the farm, &c. That I have spent considerable sums on farm buildings, &c., on which the farm has paid no interest. That a considerable amount of work, such as fencing, roads and drainage has been done by the Estate for the benefit of the farm, for which the farm has not been charged anything." Is that because there has been no available surplus out of which these payments might have been made?—Could you take one item at a time? I have not a copy.

3985. My question is a general one. What I want to know is, is that because there has been no available surplus out of which these payments might have been made? Has Major Brassey received no interest because there was no available surplus out of which he could receive interest?—Until 4 years ago he ran the farm at a loss. But I think it is due to Major Brassey to explain that when he took over the estate it was practically ruined from every point of view. There were trees growing through the cottages; practically the whole of his mansion house had fallen in; over 1,000 acres of it was a rabbit warren; and there was not a farm building or a cottage on the land that was really habitable.

3986. And you are hoping in the near future to be able to make payments under these headings?—He has spent an enormous sum of money in rebuilding the estate. The whole of that 1,000 acres is now under the plough and redeemed; a lot of the grass land that was practically wilderness is fenced in, and he has made these enormous expenditures, and naturally no farm can stand that sort of thing. Latterly he has been reaping the result of his expenditure of the past.

3987. *Mr. Parker*: You commented upon the want of adaptability in the majority of the farming community. Can you tell us how far that adaptability may be due to want of sufficient capital for buying modern machinery, &c.?—I think it is due more to want of education.

3988. Not to want of capital?—No; want of education and want of business methods. If a man in a factory finds that he can get a bigger output from a certain type of machine, he scraps the machine he has got and gets another. The farmer, having bought a binder 20 years ago, sticks to it, although it is very antiquated and very expensive to repair very often.

3989. What capital per acre is employed in this farm of 2,700 acres?

Mr. Cautley: £31,165 5s. in April, 1918.

3990. *Mr. Parker*: That is about £15 an acre?—Yes.

3991. Do not you think that some of this want of adaptability would disappear if a great many farmers were able to employ that amount of capital on their farms?—Yes, I think it would.

3992. Is it not rather the fact that a farmer very often takes, say, a farm of 500 acres when he has only capital for 300 acres?—Yes; unfortunately, I am afraid that is very often the case.

3993. You would agree that more capital would do away with some of this want of adaptability?—Some of it; not all of it. Want of education has a great deal to do with it.

3994. *Mr. Lennard*: May I preface my questions by telling you that if you find they are rather disconnected and some of them ask for information about facts you have already stated, it will be due to the fact that owing to nobody's fault, but to the pressure of time, we have only had these papers before us very recently. In the first place, with regard to these very interesting cost accounts, I wish to ask you some very general questions. What is the quality of the land?—Very heavy clay. Four-horse land.

3995. Would you consider that if prices were such as to make the continuation of corn growing profitable on land such as your farm consists of, they would be sufficient to keep under the plough most of the land which has been ploughed up during the war, excluding land which had really been ploughed by mistake?—Not with the present supply of labour that we have. At the present moment I have 16 women and 11 German prisoners working. When they take the prisoners away, I do not know how I shall carry on.

3996. Do you mean that the shortage is absolute, or that to make up the shortage will increase the cost of your labour?—I could not get the labour if I wanted it. I would not have prisoners if I could get Englishmen; but I cannot get them.

3997. So you suggest that unless more labour is made available it is a hopeless proposition?—Quite; on the quality of the land I am farming.

3998. But apart from that difficulty, if the price was sufficient to make corn growing profitable on your land, you consider it would be sufficient to keep most of the newly ploughed area in the country under the plough?—I think so. Of course, it is rather hard to judge. I am more or less confined to Northamptonshire, and I have no knowledge whatever of the North and only small knowledge of the South. But I think if prices on our heavy clay are made to recompense us for our work there, it ought to pay almost anywhere in England.

3999. Under these costs for ploughing, and so on, I suppose you charge the keep of the horses?—No, I do not. I have put the local custom of 6s. I have not had a costs clerk until the last nine months. I am now keeping the cost of my horses, and it will be considerably below that.

4000. That would reduce the total cost of production per quarter?—Yes.

4001. Have you allowed anything in these costs of growing wheat and other cereals for unexhausted manurial or cultural values obtained by the preceding cleaning crop? Have you charged anything from the cost of the preceding crop to the wheat or oats?—Where the crop comes after the fallows I do. I charge half of the fallows the first year, 25 per cent. the second year, and 25 per cent. the third year.

4002. And under fallows you include fallow crops and not only bare fallow?—No, bare fallow only.

4003. Nothing is charged when the cereal crop follows clover or roots?—No.

4004. Do you consider that the clover or root crops pay their own way?—I am, unfortunately, not scientist enough to be certain in my own mind as to the unexhausted value of manures; and until I am I prefer not to charge them.

4005. Do you think that the clover or root crop pays its own way and would be worth while for its own sake?—The clover crop is a great paying factor, of course, in the same way that wheat is.

4006. What about roots?—Roots are a necessity, and therefore a paying crop.

4007. Do you mean a necessity to, say, milk production or a necessity as, say, a cleaning crop?—A necessity on any farm where live stock are kept.

4008. I understand that these balance sheets mentioned under paragraph 3 of your *précis* of evidence, will be submitted later.

Chairman: They are here, and I will pass on a copy to you.

Mr. Lennard: Might I have a look at them when I have finished. Then if I have any further questions on the balance sheets, I may put them.

Chairman: Yes.

4009. *Mr. Lennard*: I was very much interested in what you said in answer to Mr. Walker under the heading of paragraph 4 about the conservatism and lack of adaptability on the part of many farmers. Do you think the guaranteed prices tend to increase efficiency on the part of the farmer or the reverse?—It is a rather difficult question.

4010. I am thinking not so much of guaranteed prices during the war period when they were not actually operative because of the very high figure of world prices; but in the future would a promise of guaranteed prices tend to make the farmer feel that the industry had more hopes for him and it was worth his while to put his back into it; or would it, on the other hand, tend to make him feel he was secure, even if he continued rather out-of-date methods?—I think it would rather lean towards the second theory that you raise. He would plough because he knows he is guaranteed. I do not think it would help much towards efficiency.

4011. Do you think it would do most to stimulate greater efficiency and good methods, if we had a low guarantee with a free market for the farmer whenever the world's prices ruled higher than the guarantee, which they probably would if the guarantee was low, or if there was a higher fixed price, or alternatively, if there was a fairly low guaranteed minimum with another price named as a maximum?—I do not think any of those would tend to greater efficiency. It might tend to a greater area of wheat.

4012. Do you think either of those would impair efficiency?—I think very possibly it would have that tendency.

4013. Is it your experience that a good many farmers when faced with the present day problem of increased wages, tend to meet it not by getting better horses and better machinery so that the day's work of the man can be improved in quality and output, but rather by short-sighted economies in trying to cut down expenses in other directions?—Yes, I think that is very prevalent.

4014. Do you think it would be a good thing if those smaller farmers who are unable for want of capital—or incapable for want of enterprise and farsightedness of the better policy of working at the quality of their machinery, horses, and so on—to meet the increased labour cost, not only contracted their expenses but also contracted their acreage and became small holders?—I am not a believer in small holdings at all. They are most uneconomical, I think.

4015. I am speaking of a real small holding worked by a man and his family?—That is the only real possible way of working a small holding; but as a rule they have not sufficient capital to buy good implements.

4016. No; but would not some of these men who are now farming 250 to 300 acres with insufficient capital to farm as highly as labour costs would seem to require, be really better off if they became small holders through working the farm themselves?—Yes, I think they would be.

4017. And do you think a sound corollary of that movement of, we will say, 250 acre farmers into small holders, would be the amalgamation of a good deal of the residual area into larger farms?—I think the larger the farm is, the better the possibilities of paying, and the better chance of a big output.

4018. Up to what limit?—I should like 10,000 acres myself.

4019. I suppose you would agree that if the number of really large farms was increased, your supply of really efficient farmers would go farther, because they would have control over a larger area?—Yes, I think they would. You would eliminate the bad farmer, which is very necessary.

4020. An increase in the size of farms, or should I put it more precisely, an increase in really large farms over 2,000 acres, would tend on the whole in your opinion to increase the efficiency of farming throughout the country?—I do not think 2,000 acres is a possible area at all. It is a most uneconomical area.

4021. You think it should be larger?—Certainly larger. It is too large for a small farm, and too small for a large farm. You cannot employ the really good type of machinery you want on a small farm, because you would be over capitalised on machinery.

4022. You mentioned a limit of 10,000 acres as the maximum. What would you say was the minimum size of a really economical farm which could employ machinery to its greatest advantage?—From 6,000 to 10,000 acres.

4023. I pass now to your fifth paragraph, the trouble with efficiency of labour. You spoke of it being a difficulty, as under present conditions you have to pay a skilled man the same wages as you pay an unskilled youth?—Yes.

4024. And if you paid the skilled man more, the unskilled man would leave you if you did not pay him the same?—Yes.

4025. Does not that suggest to you that unless the wages of the unskilled youth are considerable, he finds he can get better wages in some other industry?—Yes; but on the whole I think the labourer is very conservative and likes to stick to his job. I do not find many men, even if they leave me, drift into other paths of life. They go to another farmer, that is all.

4026. But surely it is a very common experience to find that young men of from 18 to 22 leave agriculture for other employment?—I believe it is; but not in my immediate neighbourhood, I think. Of course, further south in the county, at Kettering and Northampton, where there are boot factories, I believe agricultural youths and girls practically all go to the factory. Thank goodness I am away from the factories.

4027. In a district like that, you would agree that if you are to retain the young men who have the capacity and strength to become in the future efficient farm labourers, it is necessary that they should have a wage which to them should be sufficient inducement not to fly away to other industries?—Yes; but then those districts penalise the purely agricultural districts. The purely agricultural districts have not always got the land. Take the farm I am farming myself. If we get beyond a certain limit of wages, it is much better to shut the farm down. The thing is, which is the best for the nation; to shut the farm down or produce the corn we can produce for the populace to eat. That is what it really resolves itself into, I think.

4028. In other words, you consider it is impossible for agriculture to compete with other industries for the supply of really efficient labour?—Unless we have a guaranteed price for our cereals, you see we are under a disadvantage. The bootmaker or the bicycle maker, before ever he sells a boot or a bicycle, gets his costs and knows exactly what profit he is going to make, and allows a margin for strikes or anything else. He puts his article on the market, and is assured of his profit; whereas we do not know what we are going to do until we have actually grown our crops, and we may find we have lost money on them. There can be no competition between agriculture and the factories. The manufacturer knows his profit and we do not know it.

4029. Over a number of years you would have an idea of the average cost of production?—We know the average production. On the farm I am managing, our average production is 3·037 quarters per acre.

4030. And the average cost?—The average cost I do not know.

4031. Over a number of years, say seven years, you would?—I could simply give you the cost of the labour; that is all.

4032. But you would know, would you not, how one season differs from another as regards the extra costs imposed by weather conditions?—Not unless you got your balance sheet out at the end of the year when you have possibly lost money or made it. You cannot tell till the finish.

4033. But I am only suggesting if you take a sufficient period, say, seven years, you get a fairly normal cycle of seasons?—You may; yes.

4034. There would be greater evenness, would there not, between the costs of two seven-year periods than between the costs of two individual years?—Certainly, I agree.

4035. With regard to this difficulty of paying a really good labourer more than the unskilled man, have you had much experience of piece work?—Piece work is practically dead. We cannot get the men to do it.

4036. Do you think that is because of an inherent objection to piece work, or because they have had experience in the past of piece rates which proved unfavourable?—I do not think so; because in the old days, when we used to pay about 18s. a week, we used to put the piece work so that the man could earn slightly more than the 18s. It was some encouragement to him; if he worked really hard he got a great deal more. The man to-day works out in his mind: "I am getting 150 per cent. increase in wages. I ought to get 150 per cent. in piece work"; and he is not content with 150, but he wants 250 per cent., which kills piece work. We cannot pay it.

4037. Do you think that reluctance to do piece work might disappear, or be less, if you had a system under which a man worked piece work at rates which would give him more than the minimum time rate and was at the same time guaranteed a minimum time rate?—Yes; I should be quite prepared to do that, but the men are not. They will not do that. I have no piece work done this year at all.

4038. Have you actually put that proposition before them?—I have put the fact to them like this: "You used to get 18s. You now get 36s. 6d. You used to be paid so much for hay, or whatever it is. I am prepared to pay you so much, which is the exact proportion compared with the wages you used to get and the wages you are getting to-day. Are you willing to work for that"? and they say: No, they will not. They give no reason.

4039. That indicates, I understand, that there is a diminished willingness to work piece work?—Yes.

4040. But you have not actually put it to them: "I will offer you piece rates proportionate to those which I offered to you in the past, and at the same time you will be guaranteed your minimum time rate for the week you are on piece work."—I would not test them with that. They would work for the minimum time rate.

4041. In other words, the piece work rate would be inoperative?—Yes. I will give you an example. I have sheave carriers attached to all my binders. I dump the sheaves in straight lines all down the field either in fours or fives according to the crop, and the men have to stook them; that is to say, set them up. In the old days when they had not sheave carriers, each sheaf fell out of the machine as it went on and the man had to pick one here and one there and stook them. Now he has them put in absolutely straight in a line; but they will not work unless I pay them the same piece rates that they used to get when they had to walk 10 or 15 yards every time to make a stook. The work is simplified and they do a great deal less than they used to do; but they will not work unless I give them the old rate, which I will not do.

4042. Do not you think that is possibly a form of conservatism on the part of the labourer, just as you have spoken of conservatism on the part of the farmer? It has certainly been my experience that the men want to combine the advantages of the new conditions with the advantages of the old and do not realise the changes?—There is a great deal in that combined with want of education. If they would think it out, the piece rates I have offered them are far better than they used to get.

4043. So that you think that with better education this reluctance to do piece work might disappear?—I think a good deal of it might.

4044. You spoke just now of the difficulty you had with regard to the Saturday half holiday and their desiring to play cricket as they did last week. Would you agree that that difficulty is practically limited to hay time and harvest?—Yes, because we never work Saturdays if we can help it.

4045. How many men do you employ on your farm?—On the outbreak of war we had 104 skilled men and boys; and I have to-day, I think it is, 58 men, women and German prisoners.

4046. I quite appreciate what you said to Mr. Walker and Mr. Smith about the difficulty of going round the farm and telling everybody that you are going to work on Saturday afternoon, but do you ever have general consultations with your men? As you know, under the Whitley Report there have been strong recommendations that employers and workmen should consult together more about the management of the industry. Do you ever have consultations, for example, on this point, as to whether the Saturday half holiday should be superseded during hay time and harvest?—The Wages Board said we should have a holiday, and I am in favour of it, and I always give it if possible; but I do not think the Lord gave us crops to fool away, and if it is a good day on the Saturday we ought to work. We see them through in the wet weather and in the winter; they ought to see us through in fine weather.

4047. Do not you think the difficulty might be got over if employers, consulting with their men, came to an understanding that whereas during normal times of the year the understood thing would be a Saturday half holiday, and it would require special arrangements to continue work, during weeks of hay time and harvest the understood thing would be work on Saturday unless notice was sent round that the weather or other conditions had altered?—I find the older men who realise the responsibility of getting the crop in do not run off in this fashion; it is only the younger fellows.

4048. But is not it also that those of us who are younger have more interest in cricket and recreation?—Naturally. I like to see them play cricket on the Saturday, if we could only get them to work the other five days. I am all in favour of sport and recreation and giving them as much time as possible; but, considering that we keep them going all winter during the bad weather and find them a job, they ought to buckle to and give us the best of their help in the summer, but we do not get it.

4049. You do not think, with regard to this matter of hay time and harvest, it would be possible to arrive at a better understanding in future by consultation?—I can always get on with the older men. It is only the young fellows. I do consult the men on any change of wages, or anything of that sort. I call the carters together and tell them what I want. Then I get the stock men together and talk it over with them. I have had no trouble with that class of men at all. It is only the youths.

4050. But you have not had any consultation about the question of Saturdays and hay time and harvest?—No, because up to now they have always worked.

4051. Then this has only been an isolated instance?—It has only been an isolated instance; but I do not want it again if I can help it.

4052. You think possibly consultation might help towards some understanding which would obviate that difficulty in the future?—Yes, I hope so.

4053. *Mr. Langford*: You have had great advantages in education and in the study of agricultural subjects?—Yes, I have.

4054. I think you would agree that the average farmer could not possibly have had the advantages that you have had?—No, they have not.

4055. Then you would agree with me that if some farmers do not understand their business quite as well as they should, it is really not their own fault?—I think, considering that their capital is employed in agriculture, they ought to make more effort to educate themselves.

4056. Quite; but until quite recently there have been very few schools to which farmers could even send their sons to get practical agricultural scientific knowledge?—That is very true.

4057. Would you agree with me that in Scotland the farmers' sons have greater advantages educationally than the farmers' sons and labourers' sons have in England?—Yes, I think they have.

4058. Then you would support the Board of Agriculture if they decided to institute better facilities for the technical teaching of those engaged in agriculture?—Certainly.

4059. I do not want to misquote you, but I think you said just now, as I understood it, that until three years ago you made no profits?—Until four years ago.

4060. In 1913 you made a loss of £1,470?—I was not then manager of the farm; I only took over in 1915.

4061. In 1914 there was a loss of £2,875?—Yes.

Chairman: I will read the figures from your balance sheet. For the year 1913 the loss was £1,470 10s. 4d.; for the year 1914 the loss was £2,875 9s. 2d.; for the year 1915 the profit was £1,389 0s. 3d.; for the year 1916 the profit was £3,391 11s. 11d.; for 1917 the profit was £3,790 12s. 4d.; and for 1918 the profit was £2,375 19s. 6d. All those years end on the 6th April of each year.

Mr. Langford: I think it is very unfortunate that we have not had an opportunity of studying the figures; because this is the first witness who has put in balance sheets, and if we had had two or three hours to study the figures the evidence would have been of much more material value.

Chairman: If you like, you can recall the witness at a later date.

Mr. Batchelor: Might I suggest that probably it would be for the benefit of the Commission and its work if that were to be done, and probably the

examination just now would only be a matter of repetition later on. I would suggest that we should not go into the further examination of this witness, but postpone it until we have had an opportunity of being able to question him.

Chairman: That would depend on the convenience of the witness. We cannot ask him if he is not disposed to do so to come back here again.

The Witness: I am quite willing to come back if it will suit the convenience of the Commission

Mr. Dallas: Might I suggest we proceed with the examination on the general statements the witness has made, and deal with the costings and balance sheets at a subsequent period?

Chairman: Yes, I think that would be a prudent thing to do.

4062. *Mr. J. M. Henderson*: Those are not balance sheets; they are only profit and loss accounts. A balance sheet is a very different thing, and it may be the witness does not want us to have it?—Yes, you can have every balance sheet.

4063. *Chairman*: You will see at the end of each of those accounts, taking 1918 as an example, you say: "Balance carried to balance sheet, folio 20." We do not have the balance sheet; that is what Mr. Henderson is referring to?—I have had no time, but I am quite willing to bring them.

4064. *Mr. Langford*: With regard to profits again in your best years, namely 1916 and 1917, your profits work out for the whole of the farm at approximately, if you average the two together, 25s. per acre?—1916 is ·954 of a pound, and 1917 is 1·377 of a pound.

4065. It is rather less than I thought. Those are your best years?—Yes.

4066. Would you attribute those profits to your management as apart from the exigencies of the period working up prices?—I should certainly not attribute the whole of them. I wish I could; but the Board of Agriculture have worked out those statistics showing that what the farmers had to buy have increased by about 120 per cent., and what he has to sell has increased by 90 to 100 per cent. If we take the higher figure that would be 100 per cent. for what he has had to sell, and 120 per cent. for what he has had to buy. If you allowed 100 per cent. for war time conditions, I think you might put the rest down to economical management.

4067. If that was so your profits in 1918 fell from £3,790 12s. 4d. in 1917 to £2,375 19s. 6d.?—Yes.

4068. What peculiar circumstance do you attribute that to?—There was a large increase in the labour bill that year.

4069. Then may I put it to you in this way, that you do not anticipate the profits achieved in 1916 and 1917 are going to be continuous?—Yes, I think they would be if I could get the machinery and application that I want.

4070. But is there any reason why you, in your peculiarly favourable position, should not obtain all the machinery you need?—Yes; because Major Brassey has been contemplating selling the estate for some time, and he did not want to invest his capital in machinery.

4071. Then he too would come under the head of some of these other farmers who are ultra conservative in their ideas?—I think most landowners do.

4072. If I may put it to you, I should not regard you as that. What I want to get at is this. You have admitted that the average farmer from a technical standpoint at any rate does not thoroughly understand his business?—Yes.

4073. Then I put it to you that the profits you are able to make in consequence of your special knowledge, coupled with having an excellent landlord, are profits that the ordinary farmer could not possibly make?—I cannot say that at all. There are extraordinarily fine farmers who make a great deal bigger profits than I do: but they are the exception, I think.

4074. How do you compare that with your sweeping suggestion that they are ultra conservative, that they do not take advantage of modern machinery, and they go to markets six days a week and generally are inefficient?—I said the majority of farmers, I did not say all of them. If you look at the *précis*, you will see it is the majority of the farming community. I acknowledge very gratefully a great deal of assistance I have had from some of the best farmers in the world in England.

4075. But they would be a very small minority?—I think they are.

4076. Would you agree with me that on that basis the majority of the farmers were making a loss before 1916?—I should think they were, and did not know it.

4077. Then they must have been possessed with large capital, or else they could not have gone on?—I think a great many of them existed because they grew the food they actually consumed. If they had had to buy the food like any other business man would have done, they would have been bankrupt.

4078. You have got an extraordinarily generous landlord. Would you put the rent of this farm as being representative of the land in your county?—It represents the heaviest land in the county.

4079. 10s. an acre would be a fair rental?—I think the rental is 12s. 1d. I fixed it with Messrs. Fox, Auctioneers and Valuers, of Peterborough, when I went there in 1915.

4080. And your landlord out of other funds keeps the buildings in proper repair, and spends large sums of money on the improvement of the estate and keeping the roads good?—Yes.

4081. Those are advantages that do not accrue to the ordinary tenant farmer?—There is this about it, that if he wanted to lease the farms at any time, he would have had to have done it.

4082. But is not it within your knowledge that a lot of the farm buildings and the house the farmer himself lives in, are badly out of repair at the present time?—Yes.

4083. Is not it also within your knowledge that in nearly all farm agreements the farmer has to keep the roads round the farm and round the folds and that sort of thing in good repair, and leave them in good condition when he leaves?—The landlord finds the material. The tenant cuts them up, and I think it is quite fair that he should repair them.

4084. You have one great advantage it is impossible to secure to the ordinary farmer, and that is absolute security of tenure?—I have not. I am giving up the farm in October.

4085. But you have had up to this time?—I am simply the manager, not the tenant farmer.

4086. You come and put points before us and they have been contrasted with tenant farmers, and I want to get from you what peculiar advantages you have outside the tenant farmer. Do you admit you have some?—Very few.

4087. Do you tell me that similar farms in your district are let as low as 10s. an acre?—Yes, and some of them a great deal lower.

4088. I think you also stated, or Major Brassey did in his letter, that no interest has been charged on capital. Is that so?—It depends how you look at it. If you look at it from a cost point of view, I do not see why you should charge interest on capital. If you buy shares in a rubber company and do not get dividends, you do not write it down as a loss. Why should you do it in farming?

4089. I put it to you the farmer farming on similar lines would be bound to be in the Bankruptcy Court. This is my point; that in 1914 you lost £2,875 9s. 2d.? I was not the manager then.

4090. That does not matter. Someone was; and if you coupled with that 5 per cent. interest on the capital involved, you would have lost a further £1,600?—What would you write that down to? Would you expect him to draw £1,600 out of his bank, and say he had lost it because he had not made it?

4091. What I should say is that if an ordinary tenant farmer farming a small farm which you put at 2,500 acres has made a loss of approximately over £4,000 a year, I should write him down as being in the Bankruptcy Court in very quick time?—So should I.

4092. That is my point. You come here this morning, and you admit that you have peculiar advantages. You say that the tenant farmer is uneducated, is ultra-conservative, and that he goes to market, the majority of them, too frequently, yet you cannot show results, as I put it to you, which the average tenant farmer could, or he would not be existing here?—You

have to know the conditions of the farm as well, you know. You do not know the farm you are talking about, I think.

4093. I do not know it; but I know a great number of farmers who come from the same county, who do not look to me as if they were making losses such as you suggest in your accounts. You say that many of these farmers attend markets 6 days a week? I quoted what a labourer said to me; but from my own knowledge I know of several men who attend four or five times a week.

4094. And they are worthy of considerable censure. I agree with you in that. Would you tell us the names of some of the farmers who attend markets as frequently as that? Certainly not.

4095. I think it is only fair and reasonable if you make a statement of that sort, that you should back it up by giving the names and addresses of the men who are rightly deserving of public censure?—I will ask them to allow me to give their names.

Chairman: I do not think this is essential.

4096. *Mr. Langford*: What material do you suggest the ordinary farmer could purchase and use on his farm which he has not now got?—I should say a 16-foot seeding drill. I have only seen about three since I have been in England.

4097. Would you suggest that a drill of that width would be suitable for many farms in England?—Yes, any farm of a reasonable size. I do not say a small holding. That is an absurdity, of course.

4098. I am afraid we should not agree as to what was a reasonable sized farm. You do not regard 2,700 acres as an economical farm?—No, I think it is a very uneconomical size.

4099. I think you said you would regard 10,000 acres as a decent farm that you could successfully manage?—I did not say I could successfully manage it. I said I thought it was an economical size.

4100. Do you know how many farms of 10,000 acres there are?—Very few.

4101. Would you be surprised to hear there are only 14,000 farms of over 300 acres in England?—That is about it.

4102. You have brought with you these two pretty pictures?—Yes.

4103. Do you seriously suggest to the Commission that that is a team that is ordinarily used in agriculture in England?—If it is not, a paper of that standing ought not to publish it. It is an advertisement of ignorance.

4104. Have you taken up the matter with them?—No.

4105. But you bring it here because you think upon the Commission there are a great many gentlemen who may not be so acquainted with agriculture as you are, and you are going to ask them to believe that. Do you know what county this photograph was taken in?—No; I do not know anything about it. It simply struck me what brutal ignorance it was, and I brought it.

4106. Is that class of hay carter used in your county?—No.

4107. Then I do not think I need say anything more about that. Have you got electric power on your farm?—No.

4108. Do you know that many of the farmers in England are using it to-day, both for power and lighting, and even to light their cottages?—Very likely.

4109. Do you know that there are some counties in England that have adopted electricity, and have asked the public authorities who have electric current to dispose of to bring it into the country and link up their farms?—I have not heard of it.

4110. Herefordshire is one which has petitioned the Town Council, who have large electrical works; and they are now about to spend a very large capital, something like £100,000 in linking up their farms, because they realise the great advantages that accrue to farmers by the use of electricity. Would you regard them as amongst these people whom you say are ultra-conservative?—No, I should not.

4111. *Mr. Thomas Henderson*: You said in reply to Mr. Langford that you have dropped from £3,790 profit in 1917 to £2,385 in 1918, a total drop of about £1,405?—Yes.

4112. You suggested in reply to him when you were asked for the cause, that it was due to an increase in the wages bill?—No; I said there was an increase.

4113. There was an increase of £326. That only accounts for a quarter of that drop. I think my figures are correct?—That is about right.

4114. Can you account for the £1,100 odd?—Yes. There came a very unlucky spring. We had a lot of land idle which ought to have been in cultivation. On those heavy clays we cannot do what we want.

4115. It was not entirely due to labour?—No.

4116. You said in reply to some one else, that your labour force was 58 men, women and German prisoners. I think you said 11 German prisoners?—Yes.

4117. How many women have you?—Fifteen or sixteen.

4118. That is only 32 ordinary men that you have?—Yes.

4119. As compared with 104 men and boys you employed before the war?—Yes; the area was larger in those days.

4120. How much larger?—In 1914 the area was 3,609.

4121. You are short 600 acres?—Yes.

4122. How many of the 32 men were actually employed on the farm before the war?—They are all men who were employed, and the boys have grown up on the farm. I have imported very few.

4123. Could you divide these into categories showing the older men and the boys who have grown up?—I could not do that from memory.

4124. You make a charge of inefficiency against your own staff, and your figures are hardly comparable. I do not think you have the materials for a comparison?—Why?

4125. On your own showing you have only 32 of the original 104, and you have 15 women who were not employed before, I presume, and you have 11 German prisoners whom we cannot compare with anything. Is it quite fair to base your generalisation on such a small basis?—Generalisation of what?

4126. As to the fall in the efficiency of labour?—As Chairman of the Food Production Committee of my district, I am in touch every day of the week with neighbouring farmers, and the complaint is most general, and I see it in evidence myself every day.

4127. I am not complaining of this not being on a wider basis, but you did not say that to begin with. You said it was your own personal experience on the farm. Of these 32, some of them would be older men who had been on the farm a long time?—Yes.

4128. Against whom you make no complaint?—No.

4129. So that the complaint finally lies against a comparatively small group of individuals?—Yes, on my farm.

4130. As a scientist, do you think it is fair to make a wide generalisation of that kind on such a small group of cases?—The district in which I am Chairman of Food Production is a fairly wide district, and I have complaints very generally from men I can trust.

4131. They did not employ for the most part men who did not come in during the war?—I am afraid we do not get many men coming in the industry.

4132. You cannot get them?—Very few.

4133. So that it applies to the younger men solely?—Yes.

4134. And those are very few in number?—Yes, worse luck.

4135. Why is it worse luck if they are inefficient?—I wish there were not any young men

4136. You said you believed in the desirability of very large farms. I do not quarrel with your opinion; but I put it to you that one essential factor in running large farms is, that you can depend on an efficient labour staff?—Yes.

4137. The difficulty of managing with a small staff will be much greater in the case of a larger staff?—Yes, it will.

4138. Can you look forward to any increase of large farms with comfort?—If I had a farm of that area, I should have a great deal of labour-saving machinery, and I should reduce labour to a minimum.

4139. I agree; but you are bound to have some?—Yes.

4140 Assuming you are right in believing that labour is so abominably inefficient, how can you look forward to the possibility of extending the size of your

holding?—It is a trouble that has got to be met. It is no use funking a thing; we have to do it somehow.

4141. You say the old race of agricultural workers were more honest, more efficient, better workers, and so on, than the present generation?—Some of the older men I have got are most excellent.

4142. Would you say as a generalisation that the older race of agricultural labourers was better than the younger generation?—Yes, there is no comparison.

4143. Might I ask what the cash rewards of their honesty, industry, and efficiency were? The wages were very low then, I believe?—Yes.

4144. I put it to you again as a possibility, do not you think it is just because the rewards of the industry, of efficiency and honesty of these old agricultural labourers, was so very poor, that the present generation is not having any, and will not put forward the same efforts in the industry?—Possibly that is so.

4145. That is to say, what you are inheriting now is a very evil tradition on the part of the farmers in the past?—Possibly. We certainly did not pay the wages we ought to have paid.

4146. How can you expect these people to accept those conditions? You have to face that, have not you?—Yes.

4147. And I suggest you can only face it by raising the rewards of their industry?—To the good men.

4148. To the good men, of course; and by raising the standard of education, as you suggest?—Yes.

4149. Is there any other possibility of meeting it?—I do not think so.

4150. Then why blame the present generation?—I do not think it is inherited; it is cultivated.

4151. It is cultivated because of the old conditions?—No, it is cultivated by agitators.

4152. Agitators is a somewhat vague phrase. I might be considered to be one myself; but do not you think if there was nothing to agitate for, there would be no agitators?—Possibly; they would be out of a job.

4153. Do not you think that if the people had been properly treated, the agitators would have had no scope at all?—I think a great deal is due to the class of official that the Agricultural Labourers' Union puts in as its Secretary and Chairman. My local union have a railway signalman as secretary, and a coal hawker as chairman. Neither of them understands agriculture, and they cannot deal with this.

4154. I put it to you that even supposing the chairman and secretary of that union, about which I know very little indeed, are of the class you indicate, unless the farm servants, the agricultural workers in England, were disposed to listen to them about their grievances, there would be no scope for that union or any other union in the industry?—Why do not they confine it to experts in their job?

4155. Possibly it is their business. I put it to you they have a perfect right to choose anybody they like?—Yes.

Chairman: I am afraid that is not a proper question as to whether someone is a proper union official, or is not.

Mr. Walker: On a point of order, I submit the question is perfectly in order, because it was not raised by Mr. Thomas Henderson.

Chairman: The personnel of the union or their officers is not a subject that we can discuss.

Mr. Dallas: The question does not affect me any more than it does Mr. Thomas Henderson, but I do suggest you should allow it, because it is a definite accusation made by the witness against the local union, and he has brought it as one of the reasons for the inefficiency of the agricultural labourer.

Mr. Thomas Henderson: I do not want to press the point particularly; but I do suggest to you that agricultural labourers, for whatever reason it may be, who are discontented and want to form a Union for better conditions, have the same right as other people have of appointing whom they like as officials.

4156. It does not matter to you?—I think it does. If I have to meet an official of a Union, I should like to meet a man who thoroughly understands his job. I believe all the labourers ought to join the Union. I am very strong that way myself; but I should like to meet a man who is a practical man and not a railway signalman or coal hawker.

4157. After all, they are simply putting forward the views of their constituents?—Yes; but they have not done the actual work, and I do not see how they can deal with it as practical men.

4158. We will leave that point. With regard to your German prisoners how do they figure in your wages bill? Do they get the full wages of ordinary labourers?—They are paid at Government rates.

4159. What are they?—I cannot tell you off-hand. The Government tell us what we have to pay, and we pay it.

4160. *Mr. Dallas*: It is 6s. 6d.?—It is the same as the minimum wage.

4161. *Mr. Thomas Henderson*: And they are actually paid that, or the Government are paid?—Yes, the Government are paid.

4162. You have given a very surprising judgment, and I frankly admit I do not know your conditions in Northamptonshire. You said there was more callousness about the war amongst agricultural labourers than among any other class of people?—Yes. I think there was.

4163. It was a most astonishing statement to me. Did none of them go to the Army at all?—As few as possible. As long as we could get exemption for them, they would not go. I should think they volunteered less than any other class of person in England.

4164. Do you know the figures?—No.

Chairman: I think these questions should not be put.

Mr. Thomas Henderson: With all deference, I am questioning him on his own statements. I am sorry these statements should go forward, but it is not from my questions.

4165. You do not know the figures with regard to recruitment?—I have not stated the figures.

4166. Would you mind giving us the evidence from the wages sheet, showing the effects of the deterioration in the efficiency of labour?—Yes, I can produce them.

4167. *Mr. J. M. Henderson*: I do not propose to ask any questions on the accounts. You have been good enough to say you will produce the balance sheets; but I observe the house accounts and all that are there. I presume the farm accounts are perfectly distinct?—Absolutely distinct.

4168. They only happen to be in that volume?—That is all.

4169. What is your experience with regard to cereals during the last years in which you have been managing? Have you made a profit on them or not?—Yes, I think I have.

4170. And you have made a profit on the cattle as well?—Yes; I think profits have been general.

4171. What is your idea of the prospects for the future taking the world's position as to wheat, and so forth. What is your idea as to whether the price is to go up or down within the next three years?—I am afraid I cannot judge on those questions.

4172. You have not thought about it?—I have tried to, but only as an amateur. I have not the figures and facts available to give you an answer.

4173. Are you aware that Canada has fixed a minimum for wheat for this next year at $2.25 per bushel, which is equal to 72s. 10d. a quarter?—Yes; I have seen it in print.

4174. Do you think there is any chance of its going down the next three years?

Chairman: I think he has answered that question, that he anticipates making the profits of 1916 and 1917 in the future.

4175. *Mr. J. M. Henderson*: What is your suggestion, if you have any, as to the minimum which the Government ought to fix for 1920-21?—I think it is impossible to give any figure until we know what the Wages Board are going to do.

4176. It has been suggested by several other witnesses, 60s. That is the minimum. Do you agree?—The minimum and a free market. I should think that is a satisfactory figure; but I have not studied the question.

4177. You do not suggest any minimum as to meat. Lord Rhondda fixed 67s.?—No.

4178. Do you do a good deal in milk?—No, very little.

4179. During your management, have you increased the number of modern implements?—Very greatly.

4180. Shortly, would what you have be reapers and binders?—Yes, and elevators.

4181. Any tractors?—Yes, one; and 8 ft. hay cutters, large drills and disc harrows. I have introduced a tremendous number of implements.

4182. On the whole are you satisfied with the position as regards yourselves, subject to your quarrel with labour, if present prices for your produce keep up?—If we can get a supply of labour.

4183. Subject to that?—Subject to a supply of labour, I think we ought to be able to go on.

4184. Subject to the supply of labour and its doing its duty, you are satisfied with the position as to the prices you get?—It is rather a big term, prices I get. I dabble in milk and the sale of fat beasts now and again; but I do not go in for fattening on a large scale, or selling milk on a large scale.

4185. Do you go in for store cattle?—Yes.

4186. You buy cattle and feed them up?—I rear them and sell them as stores.

4187. You do not buy cattle for fattening?—No.

4188. *Mr. Green*: May I ask if you are the author of the book "A Ten Thousand Acre Farm"?—Yes; joint author.

4189. What year did Major Brassey take this farm?—I think he bought the property in 1904.

4190. With regard to the use of agricultural machinery and the conservatism of farmers, do you know which year the self-binder was in use in this country?—Do you mean when it was first introduced?

4191. Yes, when it came in general use?—No, I cannot remember. I can remember as a schoolboy in 1892 it was working then.

4192. The Americans had it in use in 1870. I understand from a Board of Agriculture book I was reading the other day, that it did not come into use in this country until 1883?—I can remember it in 1892 quite well; but that is the first time I can remember it.

4193. With regard to the organisation of labour on the farm, do not you think that depends upon the landlord just as much as upon the farmer? I mean to say, with respect to adequate buildings?—Certainly labour ought to be better housed than it is.

4194. I am not talking about the housing of labour I am talking about cowsheds, barns, and so forth; so that you could organise your labour better if you had far better buildings on the farms?—On the other hand, a tenant need not take the farm unless he is satisfied with the buildings.

4195. I quite understand that. With regard to the inefficiency of labour, I suppose these older men you have to-day would be men of about 20 years old in 1881. They would be young men then?—I mean the men from 40 to 55.

4196. Would it surprise you to learn that in the Royal Commission of 1881 the summary stated that there were universal complaints about the inefficiency of labour at that date?—I was not aware of it.

4197. That is so; because I have been reading up the pages in the Royal Commission. You cast some very serious reflections on the patriotism of agricultural labourers in this country. Would it surprise you to learn that over 200,000 agricultural labourers volunteered to fight for this country?—Out of how many?

4198. Out of about 700,000?—A third. It would surprise me very much.

4199. Those are the figures given by a responsible member of the Board of Agriculture. Probably the figures are higher than that?—If so, I should like to retract what I have said.

4200. You are aware, I suppose, that Northampton has been one of the lowest paid counties in England so far as labour is concerned?—I believe it has.

4201. Do not you think that would account a good deal for the lack of physical efficiency in many labourers in the county at the present day?—In what connection?

4202. They would not be so well fed, and their children would not be so well nourished in infancy and boyhood?—It might.

4203. That is a truism, I suppose; but do not you think that the industrial unrest which you speak about and which you attribute largely to agitators is largely accounted for by the fact that during war time, whereas according to your costing sheets on oats you were paying 4s. 6d. a day to your labourers, the rise in the price of oats was 262 per cent., whereas wages amounted to 27s. a week and the rise in wages was only 50 per cent. Do not you think labour would naturally get very restive when they found you did not raise wages in accordance with prices?—Those are not the only two rises. Everything we had to buy rose as well. Take binder string, from 48s. to 120s.

4204. I agree, but I put it to you that might be a very serious reason for industrial unrest among the labourers themselves when they find their wages do not go up in proportion to the price you got for your produce in 1916 and 1917. I am referring to those particular years?—Prices had not risen to that extent, had they?

4205. Yes: 262 per cent. before the 25s. a week came in. You state that your farm was in a condition of trees growing through the cottages and a thousand acres of rabbit warren. As a practical man, in how many years do you expect to get a farm like that into an ordinary profitable condition of working?—That is a very big question.

The Witness: If you will allow me, Sir, I should like to retract any injustice I have done this morning to the agricultural labourer. For three years I have been the representative of the Board of Agriculture on the Northampton and Peterborough Tribunal, and from the opinion I formed there I thought that labour had been standing back more than any other class, but in view of the figures which Mr. Green has given me I wish to retract that statement, as I had no actual figures before me when I made it, and I am extremely sorry if I have done any injustice to the agricultural labourer.

4206. *Mr. Edwards*: I understood you to suggest that your experience was obtained outside this country?—Part of it.

4207. Were you trained originally in this country?—Yes.

4208. Did you attend any one of the Agricultural Colleges?—I was a pupil on Lord Normanton's estates in Hampshire, Dorsetshire, and Wiltshire.

4209. You have had no scientific training in agriculture?—No.

4210. You are in favour of large farms?—Yes.

4211. You make the statement that large farms would produce more? On what grounds do you make that statement?—Did I make that statement?

4212. Yes, I have a note here of your answer, and you most distinctly said so.

Mr. Dallas: That large farms were more economical.

4213. *Mr. Edwards*: Yes, I quite agree. What did you mean by saying that large farms were more economical?—Because, in the case of a large farm you can employ better machinery, and more machinery, and you can get over a larger amount of work in a shorter time.

4214. Looking at it from the national point of view, I presume you will admit that the important point is the quantity of produce you can gather out of a given area?—Certainly, I agree.

4215. Do you think that your large farm—which is a large farm in this part of the world—compares favourably with the smaller farms as to the total produce you get out of the land?—I see no reason why the produce should not be increased, or, at any rate, be equal on a large farm as compared with a small one.

4216. Does your return per acre compare favourably with what we get from the ordinary English farm?—I have no means of comparing them.

4217. What is your total produce per acre?—The average of wheat has been 3·037 quarters per acre in the last eight years.

4218. I find by your balance-sheet that the total sum in value of your produce for the whole of the farms last year was £10,921?—Yes.

4219. Your area is 2,850 acres, I understand?—Yes.

4220. Naturally, therefore, the produce per acre only amounts to barely £3 10s. per acre?—I will take your figures as correct.

4221. Do you really mean to tell me that the small farmers of England would be able to live on a produce such as that?—I have no method of comparison. If

you will give me some figures I might be able to answer you.

4222. You also said that the farmers had a lack of capital?—I do not think I said that.

4223. *The Chairman*: He said that he believed that farmers probably had a shortage of capital?—I think I said they would do better if they had more capital.

4224. *Mr. Edwards*: You are aware that in certain parts of the country a large number of farms are in the market, and that farmers are buying them?—Yes.

4225. Is that so in your district?—Yes.

4226. If farmers were short of capital, when the land-owner provided a large portion of the farmer's capital in the shape of the land he farmed, what, in your opinion, will be the effect on the industry in the future when the farmer, having bought his farm, will have to produce a double lot of capital, as it were—the purchase money for his farm, and his capital in his farm?—I am a Crop Inspector under the Corn Production Act for the Board of Agriculture, and in the course of my duties I happened to ask a farmer if he was the outgoing tenant, and he said: "Worse luck, I am not." I said: "Why do you say worse luck?" He said: "I have bought the place, and I find that I have to do all my own repairs, and pay Income Tax, and everything else, and I wish I had never seen it."

4227. How do the farms in your district compare in area with your farm?—I should think the farms on the average round me would be possibly 250 acres.

4228. *Mr Walker*: May we have the name of the individual you refer to?—I am prepared to ask him for permission to divulge his name, if you would wish to have his name.

4229. Yes, I wish you would let us have it?—I will ask for permission if the Secretaries will keep a note of that, and remind me of it.

4230. *Mr Dallas*: You say in paragraph 6: "The extraordinary conditions applied to agriculture by the Wages Board, which to an outsider appear irreconcilable to the economic prospects of the agricultural industry." Will you tell us what you really mean by that? You did say something this morning about the wages being fixed the same for an unskilled man of 21 as for a fully skilled man of 36. Is that precisely what you mean, or do you mean that and something else, or only that?—That is one of the conditions. I think it is absurd that a boy of only 21, working on a farm, we will say, with his father, who is a fully skilled man at his work, should get the same rate of wages.

4231. The country decided that a boy of 18 years of age was man enough to go out and fight for his country, and if the Wages Board allows you another three years, and applies this scale to the boy of 21, do you not agree with it?—No.

4232. How long an apprenticeship do you think should be served by an agricultural labourer?—Take the matter of thatching, as an example. That only takes place for three weeks in the year, and I do not suppose any boy could learn to thatch in three weeks. In six months a boy can be trained for military duty, and is then fit to go over the top, but that does not apply to agriculture. A great deal more training, in my opinion, is necessary.

4233. With regard to education, I suppose you would agree that most boys in agriculture have been working since they were about 13 years of age, and some of them at an even earlier age?—14 is nearer the mark now, is it not?

4234. Yes, I agree, 14 is the age now, but until comparatively recently it has been 13. If a boy works from the age of 13 until he is 21 on a farm do you not think he has had a fairly long apprenticeship?—They learn, of course, as they grow older, but they cannot begin to learn thatching and hoeing roots at 13. They only start to learn that when they are about 18.

4235. They must have a fair amount of skill after they have been a number of years in the business, must they not?—It depends upon their brain, and their aptitude, and their powers of observation whether they take it in quickly or not. A boy who has been leading a muck cart at 14, I agree, is put on to a more important job when he is 16.

4236. You told us this morning that a boy of 14 was capable and skilled enough to look after a pair of horses, and I put it to you that when a boy has served for another seven years until he is 21, he must be supposed to have gathered some skill as he has gone along?—Yes, some.

4237. That is my point. He then has to get a wage of 36s. 6d. You stated that wages before the war were 18s. a week, and that they were too low?—Yes.

4238. The Board of Trade told us recently that the cost of living has increased 115 per cent; do you agree?—Yes.

4239. So that actually his wage of 36s. 6d. to-day is, in reality, bearing in mind the increase of 115 per cent. in the cost of living, a less wage than the wage of 18s. before the war?—Yes, that is so, but you have got to think of the horsekeeper, who gets 150 per cent. rise and the rise in the case of feeding stuffs is only 115 per cent. You do not give us any credit for that.

4240. I am not going to give you the credit because you have already given the Wages Board the credit, or the discredit for that, as the case may be?—You are a member of the Wages Board, are you?

4241. Yes. I am rather concerned about a statement you made this morning, and one you have repeated several times, because I think it is a very serious statement. You said that men have wilfully and deliberately ceased to take any interest in their work?—Yes, I made that statement, and I am prepared to stick to it. I can prove it in one instance if you would like me to do so. I know you have not got time to go into many of them.

4242. One instance may be correct, but I do not think that one instance can prove the fact generally, if it be a fact?—One gentleman here asked me to bring up the figures relating to the deterioration of labour, and I can do that another time.

4243. You told us about some man who went to play cricket———

The Chairman: I do not think it is useful to go over that ground again. The witness has offered to bring up figures showing the actual amount of work done, and the cost paid for that work from his books. When he comes before us again you can examine him upon it.

4244. *Mr. Dallas*: I am dealing with the evidence of the witness with regard to the efficiency, or inefficiency, of labour. Inefficiency must have a very serious and widespread effect on the economic position of this industry if it exists, and I want to show that the Witness is not reliable in the evidence that he has given. (To the Witness) I have here a current copy of "The Mark Lane Express," this week's copy, in which the leader writer, or the leaderette writer, draws attention to the fact that he visited a farm last week, and that the men were not at work, and that the horses were at grass and that the farmer preferred to turn his men off at the end of the ordinary day's work rather than pay overtime rates, or let the men work overtime—there it is, you can read it for yourself?—That has nothing to do with me.

4245. No, but it does go to prove that the labourers are not the only people who may not work all the hours that might be worked during harvest time?—I think that I have censured the farmer as much as I have censured the labourer.

4246. I was coming to that next. You said the landlords were inefficient, the farmers were inefficient, and that the labourers were inefficient. Would you suggest that the only people who are efficient in agriculture are the managers?—No, I would not.

4247. Then it seems to me that there is nobody who is left who is efficient at all?—I do not think, as a matter of fact, that I mentioned the word "inefficient."

4248. Yes, I can assure you you did, and you will see it in the report of your evidence?—Unless you can prove it I do not think you should make these wild statements.

4249. The shorthand-notes will show. You said you had been abroad for some time?—Yes.

4250. Would you mind telling us what sort of labour you were working with abroad?—All sorts.

4251. Niggers?—If you like to call them niggers, but they were principally half-bred Italians and Spaniards. Most of our labourers came simply for the harvest, and went back again; they were employed on piece-work.

4252. You did not get your ideas of treating labour from your contact with treating niggers and half-castes, and all these people, I hope? I do not understand that question.

4253. Would the inefficiency, and the lack of interest in these people you have been speaking of abroad rather prejudice you in your outlook towards British labour?—I did not say that they showed inefficiency or lack of interest in their work. The labourer out there, as long as you made it worth his while from the point of view of money, was the best labourer on earth, and I do not think the British labourer would take on piece-work for any money if you offered it to him. They will not take on piece-work, whereas the whole of our harvest out there was done piece-work, and I have actually had men growling at me on a damp morning because I would not blow the whistle to enable them to start threshing. As against that, in my opinion the English labourer the longer he remains idle the better he is pleased.

4254. Would you believe that men with life long experience of agricultural labourers, such as the Hon. E. G. Strutt, take absolutely the opposite point of view from that which you take with regard to English agricultural labour?—People are bound to take different opinions. If we all liked the same girl where should we be?

4255. We have had the Hon. E. G. Strutt here giving evidence before this Commission, a man who has been engaged in farming for 40 or 50 years, one of the greatest of our experts, and who has nothing but praise for the English agricultural labourer. How do you come to differ so profoundly from an attitude like that?—One point is, you are putting words into my mouth which I have not used. I have said what I could to the advantage of the older men. I have the greatest respect for them, and gratitude to them for the way they have worked during the last three or four years, but as regards the young men I cannot say enough against them; I say they wilfully will not work.

4256. Those are your words, and I say they are very serious. I am not going to say they are untrue, but I think they are. May I ask you whether you are expressing your own individual opinion, or whether you are also expressing the opinions of those who employ you? Does Major Brassey hold the same opinion of the English agricultural labourer as you do?—If you had read my précis you would have seen that I say I am prepared to submit evidence from my own experience.

4257. Are your employers of the same opinion as yourself?—I am not prepared to give an answer to that question.

4258. This opinion of yours is formed from a close observation of the agricultural labourer, is it?—Yes.

4259. You have been manager of this farm since 1915?—Yes.

4260. You have been there all the time?—All the time.

4261. So that you also have shared the lack of anxiety and freedom from the worry of participating practically in the war, like the agricultural labourers you have mentioned?—Yes.

4262. Are you a member of the National Farmers' Union?—No, they will not have me.

4263. With regard to the question of the guaranteed price, and the minimum rate of wages, you said that if we have a minimum wage we must also have a guaranteed price—or words to that effect?—Yes.

4264. Why "must"? Is it really essential there should be any connection between the two?—It comes to this: would you work if you did not get a salary, and why should a farmer farm if he does not make a profit?

4265. That is not quite the answer. Farmers have been making profits in the past without being guaranteed prices?—From 1875 to 1895 I should think very few farmers in this country made a profit.

4266. From 1875 to 1915 they had no guaranteed prices. Would you be surprised to learn that there are quite a number of trades and industries in the country which have legal minimum wages fixed by law, and no guaranteed price for the product they turn out?—I think Mr. Leonard put that question to me this morning.

The Chairman: Yes, and the witness answered it by saying that a bootmaker would not make boots unless he was certain of being able to sell them—that he did not require a market, because he simply would not make the boots if he could not sell them.

4267. *Mr. Dallas*: Mr. Wrey is a very intelligent witness——?—I am afraid you are flattering me.

4268. But I do not think manufacturers manufacture any commodity just because they have an order to manufacture. It is a fact, is it not, that there are many trades in the country which have, by law, a legal minimum wage imposed upon them, and yet they have no guarantee with regard to the prices of their commodities?—You cannot compare the two. Take any trade you like. Let us stick to boots; they are working under a roof the whole time, and it does not matter what the climate, or the conditions are, or what the temperature is, whereas every one of these elements are of the most vital importance to the agriculturalist. For example, I planned my farm last year on the most economical plan that I could devise. I arranged for 36 acres of fallow out of 2,850. As a matter of fact I got 303 acres because the weather interrupted, and I have not been able to sow the land. You cannot put a bicycle or a boot in comparison with crops.

4269. No, and I do not wish to compare them, and I am not comparing them in the way that you compare them. I only draw attention to the fact that there are many industries that must pay, and are under penalties if they do not pay, a legal minimum wage, and yet have no guarantee with regard to price?—Yes, but they know what their profit is going to be before they start to manufacture, otherwise they shut their business down.

4270. No, I do not agree with you, they are just as much, and in some cases more liable to the fluctuations of the market than agriculturists would be?—They would allow for that in the costing.

4271. Supposing a legal minimum wage continues in the case of agriculture, and no guarantees are fixed by law, what do you think the effect will be?—I think that most arable land would revert to grass at once.

4272. In spite of the fact that the guarantees fixed by law have never yet come into operation because the market price has been so much greater, and even the controlled price has been very much lower than the prices that have been ruling, and that are likely to continue in the future?—If you continue the controlled price and the guarantee, the minimum wage will not affect us very much.

4273. Supposing there is no controlled price, but that owing to the world shortage of food-stuffs we fixed a minimum guarantee at 60s., as was mentioned this morning—I am not responsible for the figure—and the world price was, say, 70s. or 80s., do you still think that land would go down to grass?—I have not studied the question carefully enough, and I should like to have more chance of thinking it over before I answer it; but, roughly speaking, from the experience I have had I think that with 60s. minimum, and an open market for the farmer, a good deal of land would remain under the plough.

4274. Are you aware that it is the custom both for Trade Unions and Employers' Associations in appointing their officials not to select a person who is skilled in their particular trade?—I was not aware of it.

4275. For instance, take the National Farmers' Union. The General Secretary of the National Farmers' Union—an excellent fellow—is a barrister, and not a farmer?—Yes.

4276. Therefore, if the Farm Labourers' Union in any particular place select somebody who was not an agricultural labourer they would be doing nothing worse than was done by the employers in the case of their organisation?—Yes, but perhaps in the case of

the General Secretary of the Labourers' Union, or the General Secretary of the Farmers' Union, it would be an advantage to have a barrister, because you want a man who can plead your cause to the public. In the case of the little local organisation that I have to deal with down there it is hopeless. If I were not up against a railway signalman, or a coal hawker, I should be able to see their official, and come to an agreement in no time, but if I have to go and sit on a gate and talk to a man about the sowing of turnips, after listening to what I have to say, he says: "I must go and see George"—or somebody else—and until the labourers and the employers can meet on common ground we must meet in some way or another, and if I can meet an official and get on with him so much the better for everybody concerned in the industry.

4277. Is that the custom which prevails—for the labourer and the employer to settle any difference they have, and, failing settlement, to endeavour to come to a settlement through the Union?—I should prefer to deal with the Union every time if I could find a man who understands his job.

4278. I think you will find most of their officials understand their job.

4279. *Mr. Cautley*: When you say you are in favour of the 10,000 acre farm, and the large farms, I take it that is only on the ground of economic working?—Yes.

4280. You have not taken into account the political or social demand for small farms, and small holdings?—No.

4281. You are a little hard, I think, upon the tenant farmer, are you not, when you say he does not use the best machinery. You actually mentioned a 16 ft. drill?—Yes.

4282. You do not suggest that a 16 ft. drill would even go through the gates of an ordinary farm?—A 16 ft. drill is packed on to a trolley, and it goes through a 4 ft. gate. You cart it on a pair of wheels, and when you get it into the field you take the wheels off and put them on at each end in five minutes.

4283. The small farmer necessarily cannot go to the expense of having the different kinds of machinery, and implements, that the big farmer can have?—That is why I advocate the large farm.

4284. On purely economic grounds?—On purely economic grounds.

4285. That does not justify you in finding the fault you do find with the tenant farmer for not using the best machinery, does it? It would not be an economic thing on a small holding to have the latest up-to-date expensive machinery?—You keep varying from small holdings to tenant farmers. You ought to stick to either one or the other.

4286. Take the small holder, or the small farmer?—The small farmer would not have the capital.

4287. It is obvious that the 200 acres farmer could not keep steam tackle, for example?—Of course not.

4288. The big farmer like you would be able to do so. I suppose you have steam tackle?—Yes.

4289. You gave us another illustration of the shortcomings of the tenant farmer. You said that he did not see eye to eye with you with regard to selling fat cattle by the weigh bridge?—Yes.

4290. Does not that involve valuers?—No.

4291. Surely a fat beast is worth more per stone, according to the quality?—Yes.

4292. Who is going to arrive at the price?—The butchers, in competition, when they are sold.

4293. I thought you were referring to the present system of grading and weighing before sale?—No, I think that system is absolutely absurd.

4294. Is your land heavy land?—Very. It is mostly 4 and 5 horse land. We have a few acres of 2 horse land—about 120 acres.

4295. Do you mean to say that to plough it you require 4 to 5 horses?—Yes.

4296. How much of the 2,850 acres is tillage land?—It is just over the 50 per cent., a few acres over the half and half.

4297. The other half is grass?—Yes.

4298. The average crop you grow of wheat is 3·037 quarters?—Yes.

4299. Just over 3 quarters to the acre?—Yes.

4300. What use would a guarantee of 60s. a quarter be for 3 quarters to the acre—£9?—Very little.

4301. You do not suggest that you can grow wheat on that sort of land at anything like £9 an acre?—Oh, yes.

4302. On heavy 4 or 5 horse land you can grow wheat at anything like £9 an acre, do you really suggest that?—I have some figures here for you to show that. Did you not see them this morning? Here is wheat after beans, costing 5 guineas an acre, and wheat after clover costing £4 19s.

4303. You do not allow anything for the fallowing of the ground?—Yes, I carry over 50 per cent. of the cost of my fallow to the next year, 25 per cent. to the second year, and 25 per cent. to the third year.

4304. What do you put the cost of the horses at?—The actual cost.

4305. I should like to discuss the question of costings with you the next time you come here. You will come prepared with the cost of growing an acre of wheat, and if you would price out the operation I should be obliged to you, if you would not mind taking that trouble?—I have got it all here already.

4306. I could not follow it?—If there is any particular question that you want answered, and you will let me know through the Secretaries I will bring the details with me.

4307. I want to see the cost of the operation, how many times ploughing and harrowing, and sowing, and so on, all the way down?—I have got it here.

4308. I have seen that?—Do you want more than that?

4308A. No, but I want to enquire into the whole rotation?—I am afraid I cannot do that, because I have not kept costs long enough.

4309. I have some knowledge of the heavy clay land of Sussex, and we cannot grow wheat there under £16 to £18 an acre?—Of course I do not wish to compare these figures with Sussex, or any other place.

4310. As to your balance sheet, would you direct your attention before the next time to this: Taking the two years ending April, 1917, and April, 1918, you begin with a valuation of £22,625, and you end in 1918 with a valuation of £31,651?—Yes.

4311. Showing that there is an increase in the valuation alone of £9,026?—Yes.

4312. You have made during those two years, according to your balance sheet, a profit in the year ending 1917 of £3,790, and in 1918, a profit of £2,385, those two years together making £6,175?—Yes.

4313. £2,900 less than the increase in the valuation. Would you let us have by the next time the details—I do not mean the absolute details, but the total amount for the horses, cattle, sheep, and so on, showing how the valuation is arrived at?—Your question is rather a long one, and hard to keep in memory. If you will put it in writing and send it to me I will give you all the details you want.

4314. I am afraid that is rather a matter for the Secretaries than for me. The increase in the valuation is £9,000, and the increase in the profit £6,000. What I suggest to you is there is no profit at all; it is only a paper profit?—I think you are very likely correct.

4315. I agree if you were to get out of the business now at April, 1918, there would be a profit on the prices realised then, but I want to direct your attention to showing how the valuation is made up. Is tenant right, for example, included in the valuation?—It is.

4316. Does that vary from year to year?—Yes, that varies every year. The valuation is done by Messrs. Fox and Vergette, of Peterborough, very year.

4317. Are your work horses written up?—Yes, every year—do you mean the appreciation, or the depreciation?

4318. The appreciation. Supposing you have a horse that you can sell in the market at £100, is he taken into stock at £100?—I cannot give you the figures the valuers put it at; they simply say: "You have a capital in horses of — so much."

4319. If a factory owner were to write up the value of his engines and machinery, and his fixed plant, and shafting, and that sort of thing, to the present market price he would show an enormous profit, but he could not sell that shafting and

machinery, and his engines, otherwise his works would stop?—Because I have brought these balance sheets here it does not necessarily imply that I agree with the method of them. I inherited them, and I have to carry them on.

4320. For the benefit of the Commission we should like to see whether there is actually a profit or not. As at present advised, I should think there is not?—I am rather inclined to agree with you, and in my opinion the only thing to do is to standardize your prices.

4321. Is there anything in this for interest on capital?—The interest on your capital is your profit.

The Chairman: He has answered that already by saying there is no charge for interest on capital.

4322. *Mr. Cautley*: There is no charge for management?—No there is in the costings, but not in the balance sheet.

4323. In the costings it is put at 2s. 9d. an acre?—Yes.

4324. However, I will not go into figures with you now. I will leave that until next time. Do you run any pedigree stock on this farm?—We used to, but I sold out last year.

4325. That does come in in the year 1918?—Yes.

4326. Pedigree stock is not poor farming, is it?—A great many tenant farmers go in for pedigree stock.

4327. They are the exception, are they not?—I was very strongly in favour of selling out, because I do not consider that pedigree stock is legitimate farming.

4328. I agree with you. To that extent, therefore, the balance sheet of 1918 is affected by your having had pedigree stock?—Yes, and affected on the losing side, too.

4329. They were carried on at a loss, were they?—Yes, I think so.

4330. Your accounts end at Lady Day, the 6th April, 1918?—Yes.

4331. Why did you not have the balance sheet to the 6th April, 1919?—Because it has not yet been printed.

4332. I rather expected that was the reason. May we have it next time?—If I get it in time before I come up again you shall have it.

4333. Are the results at all equal to those in 1918?—We have not got the balance sheet out yet, and I cannot tell you. I am dependent upon the valuers for the ultimate figures.

4334. Will you send me a note with regard to that? It will all appear in the Notes of the evidence, although I do not suppose you will trouble to read it all through again as it is so long. Will you agree with me that the prices of everything you had to buy and expend on the farm were very much increased during last year than during 1918?—Yes, everything, I should say.

4335. The price of wheat and sowing seeds, and other things, have been fluctuating downwards?—Yes, rather downwards than up.

4336. That would lead you to expect that 1919 would be a worse year than 1918?—Yes, considerably.

4337. Can you give us any idea of the difference in prices of ordinary feeding stuffs and implements at the present moment compared with what they were before the war?—I could bring you figures with regard to those—actual bills.

4338. I do not want to over-burden you?—I do not mind. It is all for the public good, and anything I can do to help you I will do most willingly. I can bring you invoices for nearly everything you want.

4339. If you will put it down on paper that will be sufficient the cost of the principal feeding-stuffs, cotton cake, linseed cake, and so on?—Yes.

4340. I should very much like, if you could, from your experience, work out the average cost of growing an acre of wheat. You say it is done here, but it is not done in the way I should like to see it done. This is the nearest you can get to it, is it?—Do you apply that question to my farm?

4341. Yes, to your own farm?—I have had experience all over the world.

4342. I am referring to your farm in Northamptonshire, of course?—These are the actual amounts expended on growing wheat after beans. If a woman has been in the field half a day, it is booked down: "Woman, half a day."

4343. Does the cost of fallowing appear in your accounts?—Yes.

4344. I understand that in regard to one of these fields the crop is a stolen crop, and it is not a fair test at all?—I believe in stealing crops where you can.

4345. I look upon it as a bad system of farming?—If you look at it from one point of view it may be considered bad farming, but from another point of view it is legitimate, and if you can steal two crops it is the best thing to do, because farming is a business, after all.

4346. Yes, but is not the system that is usually adopted in a locality the system which has been proved to be the best in the long run from the experience of farmers in the past?—Very possibly that is so. The same thing would hold good in regard to the 4 ft. 9 in. binder, and a chain horse, and a boy driving it.

4347. No, that is an improvement in method?—One goes with the other.

4348. You do not suggest that taking two wheat crops together benefits the land, do you?—Looking at it from a business point of view, if I can produce more wheat by taking a second crop than I can produce barley I am justified in doing it.

4349. But you leave your land so much the worse?—I do not think so, if you make it up with artificial manures. I do not believe in sticking rigidly to a four course system.

4350. My experience is different from yours. My experience is that that practice leads to grief sooner or later?—I have done it regularly for the last four years.

4351. I am not speaking of war time; I am speaking of normal times. However, you do not agree with me?—No.

4352. *Mr. Ashby*: I understood you to say in answer to a question put to you this morning that the prices of farm produce had risen 100 per cent. and of what the farmer buys 120 per cent. I understood you to quote the Board of Agriculture for those figures? Would you mind telling me the source?—I am afraid I cannot give it you off-hand. The paper was edited by Sir Henry Rew. I cannot remember the date of it; it was a White Paper.

4353. I think you might do well to have another look at it?—I was referring to it from memory. I do not want to be tied down to it, but I think I quoted it correctly.

4354. As to your balance sheets——?—Did we not agree to leave the question of the balance sheets until I came up again?

4355. Yes, but I think some of my friends here would like a few points cleared up with regard to them. Have you been farming the same land the whole of the years since you have been there?—Yes, with the exception of 80 acres which we let part of the time, but which I have now taken back again.

4356. In 1914 and 1915 there are items for tenant right in addition to the general valuation??—In 1914 we were farming 3,609 acres, and in 1915, 3,460 acres, and we let off the land, which makes the difference. We let off about 240 acres to a tenant farmer in 1915.

4357. In 1916 you have a similar item?—Yes, we let two farms away in that year.

4358. Otherwise the land that remains in hand at the present time has been in hand ever since 1915?—Since 1914.

4359. Did I understand you to say that this estate was purchased?—Yes, it was purchased, I believe, in 1904.

4360. You could not tell the purchase price?—No, I could not.

4361. Turning to your valuation, you start in 1913 with a valuation of £27,009 and you finish up in 1918 with a valuation of £31,657, an increase of, roughly, £10,650?—Yes.

4362. Has the principle of valuation remained the same during the whole of the period?—I have nothing whatever to do with the valuation.

4363. You do not know?—No.

4364. You could not tell us the reason for the decline in the valuation between 1914 and 1915?—There

would be less stock because we handed over so many acres of grass, and naturally we should have sold some of the stock off.

4365. Turning in a general way to the results, you had two years' losses and four years' profits with a net profit of about £6,500?—On how many years?

4366. Six years?—If you take the eight years there is a net loss of £80.

4367. I do not think we have figures for eight years?—Yes, I thought I handed them in. Here are two more years here, I thought they had been handed round.

4368. Take the first two years. There is a net loss of £4,345?—Yes.

4369. Then you have four years' profit, total £10,866?—Yes.

4370. Then you have a net profit on the six years of £6,521?—Yes.

4371. With an increase in your valuation of £10,648?—Yes.

4372. We are right in assuming that you have wiped off a big overdraft at your bank during the period of somewhere roundabout £5,000?—I cannot tell you off-hand; have you got it there?

4373. We have your bank charges here?—I will take your figure as correct.

4374. That is the position: that you have as a matter of fact through cash received from the farm during these years wiped off this overdraft?—Yes.

4375. *Chairman*: Your overdraft at the 11th April, 1918, is £2,947 according to the balance sheet?—Yes. It was wiped off in 1917, and it came on again; it was £194 in 1917.

4376. Could you tell us what is the comparative condition of the farm now as compared with when you took it over?—I think it is cleaner than it was, that is all I should like to say. The buildings are in worse repair because we have had no men to repair them.

4377. Has the fertility not been reduced?—No, it has increased if anything.

4378. The general condition of the land is that it is as good if not better than when you took it over?—Yes. I think it is. The valuer expressed that opinon to me the other day when he was asked, that he thought it was considerably better.

4379. To that extent your valuation is not wrong?—So far as cultivations go I do not think it is.

4380. There are some rather striking figures in your balance sheet for labour. Would you mind me reading them down. In 1913 your total labour bill was £4,377?—Yes.

4381. In 1914, £4,261?—Yes.

4382. In 1915, £3,919?—Yes.

4383. In 1916, £3,598?—Yes.

4384. In 1917, £3,493?—Yes.

4385. In 1918, £3,819?—Yes.

4386. So that up to the 6th April, 1917, while the wages had been rising all the time your actual labour bill had been falling, and the condition of your farm was well maintained to say the least?—Yes.

4387. How did you do it?—By increased labour saving machinery and organisation.

4388. So that at least on a big farm where you can have a fairly good equipment, a rise in wages does not necessarily mean a rise in the total cost of labour, or even in the total cost of cultivation?—Not necessarily on a big farm. If you get really big machinery you can reduce your labour bill enormously, but it would ruin the small man if he tried the same thing.

4389. My question related to the big farms?—On a big farm it is quite possible. My idea of a big farm is this: if I could get the area I wanted—10,000 acres—I should employ big expensive machinery, and I could afford to pay very much higher wages than I am paying to-day. In that way I should get the pick of the men, and I am certain that economically it would be a good thing to do.

4390. I understood you to say in reply to a question by Mr. Cautley that you would get some figures relating to the live stock, so that we might see what had happened to the valuation, whether it was real, or whether it was only written up?—Yes. I will bring those figures.

4391. Your live stock system of farming is to rear and sell the finished product?—Yes. I buy calves, that is all. I put my bulls at the dairy and I buy the produce back.

4392. Do you remember saying this morning, that you thought that the fact that production in agriculture had been well maintained during the war while the efficiency of labour was falling, was due to the fact that farmers themselves had done more work than they had ever done in their lives before?—Yes, and I stick to that statement.

4393. Will you accept the generally accepted figure that there are three labourers at least to every farmer?—Is that right—I am prepared to accept it if you give it to me.

4394. I think the members of the Commission will agree that that is a generally accepted figure. As a matter of fact it is the Census figure with the exception of a small decimal point. I want you to consider whether you think that one person would be able to do the work which would be necessary through not only the falling off in the efficiency of the other three persons, but also owing to the fact that those three persons had been reduced to just over two because of recruiting, and so on?—I am afraid I did not quite follow your question; it was rather long.

4395. Supposing you had three employees and one employer, and you reduced those three employees by recruiting to between two and three, and the efficiency of the remainder fall off considerably, does the other one person do all the work that is necessary to counterbalance not only the loss from recruiting, but the loss of efficiency in those that are left?—I think I am right in saying that the farmer has worked harder than he has ever done before, he has had to do it to keep his farm working. He has stuck to it morning, noon and night, which the labourer will not do.

4396. You would not say dogmatically that the increase in production is altogether due to the work of the farmers themselves?—No, I do not. I think it is a great deal due to the advertising of the value of sulphate of ammonia and other manures which the Board undertook.

4397. You promised, I believe, to bring some figures relating to the efficiency of the workers?—Yes.

4398. That is to say, you are going to try to show us in figures by measurements the efficiency of the present day workers as compared with the efficiency of the workers in 1914 and 1915?—Yes.

4399. Do you not think that that needs very careful methods of measurement?—They have got to be careful. A labourer is not going to be done down nowadays. If I say he has only ploughed three quarters of an acre, and he says he has ploughed an acre, he is not going to take my word for it.

4400. This is not a question of doing the labourer down, but a scientific measure as regards efficiency. Can you indicate to us the method by which you would show any change in efficiency on the part of the agricultural labourer between the year 1915 and the present date?—I think the easier way would be to take the case of George, or Dick, or Tom, and find out what I was paying him pre-war, and how much work he did for it, and what he is getting paid to-day and how much work he is doing for it.

4401. Does not that much depend upon the state of the land, the condition in which it is as regards weeds, and its wetness and dryness, and so on?—Yes, that creates a difficulty.

4402. You will bear that in mind in your figures?—Yes, where they were working generally but of course I cannot trace particular fields that George or Dick or Tom were working in before the war. I will give you the figures as near as I can, but I cannot promise nearer than that.

4403. Several members have discussed with you the question as to whether or not it is true that even in your own local area farm labourers who have held offices in connection with their union have been penalised because of that fact?—I do not know of a case.

4404. Was there not a case on a local estate where a man who was the secretary of a trade union which had a small strike, was evicted?—I cannot tell you at all.

4405. *Mr. Overman*: On these very heavy lands have you worked out the number of days on which the horses are working on them?—I brought up some figures in case that question was raised showing my idea, only I am afraid I have not worked it out in detail. From October 1st, a horse would be in the stable for 32 weeks night and day, and on wet days of course, and I have given his rations.

4406. What I want to know is how many profitable days you get out of a horse out of the 365 in reckoning up your 6s. a day?—I went through it with my carters and as near as I can get it, every horse was off ten days on an average last year and 52 Sundays of course.

4407. I see your horses are employed on work for the estate as well as the farm?—Yes.

4408. That does not come under farm work?—No, but we get paid for it.

4409. If you reckon that as part of the earnings of the horse, you must not take the 6s. a day as a charge against the farm alone?—I do not reckon anything for the earnings of the horse; I simply put it in the charge.

4410. How many acres of this very heavy land do you get ploughed? Take 1*a*, the 10 acre field?—In that field they would not plough half an acre a day.

4411. Yet you say it would only cost £1 4s. 3d.? I suggest that your figures must be entirely wrong?—All right, it is up to you to prove it.

4412. Could any sane man say that you could plough an acre of three-horse land for £1 4s. 3d.? It seems to me that these figures are absolutely incorrect?—You have no right to say that without knowing the facts. These figures are the actual wages paid and the actual hours worked on the field.

4413. Was this ten acre field three-horse land or four-horse land?—I can look that out for you, and I will do so before I come up again. I expect that field was ploughed with 5 horses and a double furrow plough.

4414. Do you tell us that you can cut a ten acre field in half a day?—Yes, certainly, with two 8 ft. binders I can do it. I gave you figures this morning showing that I could cut 1·7 acre per hour, and also 1·9 acre per hour with an 8 ft. binder.

4415. That is about eight hours, so your day would be a 16 hour day?—No; with two binders it is eight hours.

4416. That is more than eight hours' work; it must be a 16 hour day?—You have the figures I gave you this morning showing that I cut 36 acres in 21 hours, which is equal to 1·714 acre per hour. Another field works out at 1·9 acre per hour.

4417. Was it two binders in each case?—Yes, there were two binders in each case, but I have put it down as one working to simplify the matter.

4418. *Mr. Anker Simmons*: I understand you are farming in round figures 1,350 acres of arable land?—Yes.

4419. The rotation of wheat would be, roughly, 375 acres, taking one year with another?—It ought to be.

4420. You have given us figures for only 32 acres?—Yes.

4421. It is more essential for us than perhaps any other point we have to consider here to arrive at what is a fair average cost for the producton of wheat per acre. You would not argue that growing wheat after beans, or wheat after clover, would show an average cost of the production of wheat generally?—No.

4422. That is the cheapest form of production?—Yes.

4423. It only involves one ploughing?—Yes.

4424. Would it be possible for you to take out the cost of production of your wheat on the whole 370 acres?—I am afraid I could not do that for you, because until nine months ago I had not got a costings clerk, and I had to do all my own costings at night and in my spare time.

4425. If a man comes here and gives evidence where careful costings are kept and says that the cost is £15 per acre, and you come and give your figures which show that it is only £5 per acre, that is liable to lead us to a wrong conclusion unless figures are produced from which we can see upon which the calculations are based?—I think, with due deference to the Commission, you are trying to arrive at an impossibility. I do not see how you can arrive at the cost of growing wheat.

4426. I quite agree it is impossible to arrive at a standard cost of wheat production, because it so much depends upon what wheat is grown after?—Yes.

4427. What I want the Commission to understand from your evidence is that you have only given us the figures in respect of 32 acres out of 375?—I gave you two fields of wheat.

4428. Together they come to 32 acres?—No; one is 32 acres.

4429. Yes; I beg your pardon, and the other is 10, making 42 altogether?—Yes. I will try to give you the rest.

4430. If possible, I should like you to enlarge upon that and give us a more general average of the cost of production over the whole of this farm of yours?—I will try to, certainly.

4431. Your land is exceptionally heavy land?—Yes.

4432. I know the county fairly well, and as to the question of rent, 12s. 6d., that cannot in any sense be taken as anything approaching the average rent of wheat bearing land in this country?—No, nothing like it.

4433. Following up the questions put to you by Mr. Overman, would it be possible for you to ascertain for how many days in the year the men are unprofitably employed, or are not employed at all owing to climatic conditions, except in the way of your making a job for them?—No, I am afraid I could not get at that.

4434. Have you considered at all any other method of safeguarding the farmer, particularly the farmer of arable land, against such losses as we witnessed in the years you quoted from 1875 to 1895, other than that of giving a guarantee?—I think that a great deal might be done by education.

4435. Would any education in the world have prevented what happened to him during the years 1875 to the end of the century?—It would have helped considerably, I believe. If you take Canada and America and France, and some other countries, every scientific fact that is discovered in agriculture is circulated by what applies to our Board of Agriculture in those countries to every farmer, whether he reads the pamphlets or not, or whether he wants them or not.

4436. You would not say that the man who is entrusted to carry out that work for us should base his reports on farms of, I will not say, 10,000 acres, or even 2,000 acres? From a national point of view you would not recommend that land in England should be cut up into 2,000-acre farms, would you?—The question arises there what price the main populace of England are prepared to pay for their wheat. If you get the persons living in the towns grumbling at the price of wheat, you have either got to pay a subsidy to the farmer or grow much more economically, and that, in my opinion, can only be done by having larger farms.

4437. From the national point of view it would be better to have ten farmers than one in a specified area?—Yes, from the point of view of health.

4438. Ten farmers would be able to employ more labour than one?—Yes; but, in my opinion, that is not economical.

4439. *Mr. Rea*: You say you use 8 ft. binders?—Yes.

4440. Do you find them a trouble in really heavy crops?—None at all. Abroad we use 14 ft. binders always.

4441. Are the crops as heavy there as they are here?—Yes, quite, and they vary just as much, of course.

4442. Do you work best with tractors or horses?—Horses.

4443. Have you done any work with tractors?—I did in 1915. I used to take two 6 ft. binders on a Mogul tractor.

4444. How many horses do you have with the binder?—Three on a good field and four on an average field.

4445. Have you made any comparison between horse and tractor labour?—No, because my tractor was always unsatisfactory, it was always breaking down; it was a new tractor, and I had nobody who was really fit to drive it. It was more worry than pleasure, and I dropped the whole thing.

4446. You believe that by an improvement in the mechanical side of labour you will increase production?—Yes. If we have to produce more bread, and to produce it more cheaply, we shall have to improve and increase our mechanical appliances and sacrifice the agricultural labourer, but there is a difficulty from both points of view.

4447. With regard to your accounts, have the profits of the last four years wiped out the previous losses?—On the last eight years there was a loss of £80.

4448. You are calculating the increased value of stock in arriving at your profits, are you not?—That is a matter for the valuers; I have nothing to do with that.

4449. As a matter of fact, that is what has been done on these profit and loss sheets, and that is what shows the profit?—I am afraid that is so, but I cannot say. It is a system I do not agree with at all.

4450. Do you think that the cost of production or the market price ought to be taken as the basis of valuation?—The cost of breeding the stock, or the actual cost of buying it, ought to be the basis.

4451. When once you have got your stock you ought to keep a stable figure from year to year?—There ought to be a standardised price for all stock. It is a matter which is absolutely beyond the farmer's control, and he ought not to be saddled with it or pressed with it if it is a profit or a loss.

4452. It is not a profit unless he happens to be selling it?—That is so. It is merely a paper profit.

4453. With regard to improved methods of education, what would you suggest? Would you suggest having a greater number of agricultural colleges and demonstration farms, and so on?—Yes, and, I think, also by means of literature, the circulation of pamphlets and the Journal. I do not know whether you have read the evidence which was given before Lord Selborne's Committee on Reconstruction?

4454. I was on it?—The evidence given by the principal of the Harper Adams College was most striking. He said that before the war they only used to get two or three visits a week to the College, and that now they had so many visitors that they had three or four men continually employed taking farmers round the College who came to see what was being done.

4455. From your experience do you think that has led to more enlightenment on the part of the younger farmers up to now?—From chance conversations I have had with people who are interested in that sort of thing, I think most of the farmers who visit the College are of the younger generation.

4456. My impression is that a great many more of the younger generation are taking an interest in these more scientific questions than was the case formerly?—Yes.

4457. And that we may hope for improvements from that means alone?—Yes.

4458. Several questions have been asked you as to the working days of horses and men. Your staff are employed a good lot upon estate work, are they not?—Yes, at times. For example, we had fairly heavy rain on Monday, and we had no use for our horses on the farm, so we put 36 of them on to carting timber on the estate.

4459. Do you have estate jobs where you can turn your farm labourers on to in case of bad weather or slack times on the farm?—Yes, I can nearly always engage the horses and the men.

4460. You can provide almost constant employment for the men and the horses where you would not be able to do but for the estate?—Yes, that is an advantage I always have.

4461. We are trying to get at the cost of production, and you have given us some very interesting figures of costings. Do you think that your figures could be applied, or would be of any use in any area except just in your own immediate district?—No, I think they would be absolutely useless for that purpose.

4462. Speaking generally, do you think we can by getting figures from farmers in different parts of the country, strike any general average which would be of more or less universal application?—I do not think it is possible—so much depends upon the individual, and so much depends upon the weather and other things. You may be extraordinarily lucky at one time and at another time have everything against you. Then again one man's brain works quicker than his neighbours, and it is almost impossible to get an average costing which would apply generally.

4463. *Dr. Douglas*: I want to ask you a very general question about your costings statements. So far as I can make out there is no account taken of manure at all in your figures?—Where the crops have been manured, the cost of manures is taken into account. If there is nothing here for manure they have not been manured.

4464. There is no account taken in your wheat crops, for example, of anything that should be debited to the previous crop, or anything of that kind?—I think I answered that question this morning, with regard to unexhausted manures. This is actual cost, and if there is any manure it has been charged.

4465. Yes, within certain stipulated months, omitting previous costs?—No; where it is after fallow 50 per cent. is charged.

4466. Let me take you to 1 (*c*), 12 acres of spring oats after old turf. There is no manure in that case at all?—No.

4467. Is that the practice?—What manure would you suggest after old turf; there ought to be plenty of nitrogen already there. Did you look at the cost of that field?

4468. Yes. £6 5s. for pulling charlock. Is that the custom in your district? Is it not your practice to spray?—We did spray this field, and then we pulled it and cut it.

4469. You have no means of including the manurial contributions from other crops or otherwise in the case of these particular crops?—No. Where no manure has been used, none has been charged.

4470–1. *The Chairman*: Could you kindly come again on Tuesday, the 2nd September?—I really cannot tell you now: I will write you to-morrow.

(*The Witness withdrew.*)

Mr. R. STRATTON, called and examined.

Evidence-in-Chief handed in by Witness:—

4472. (1) *General.*—As you are aware, prices of all farm produce have for the last three years been subject to control, and in most cases at prices much below the world price. I should like to give an instance of an injustice which we suffered under control. Take the case of barley. The controlled price to the farmer was 70s. per quarter 11 score 4 lbs. The pig feeder had to give from 40s. to 50s. per sack for barley meal of 10 score. His price for fat pigs was 1s. 4d. per lb., while for this same bacon consumers were paying from 2s. to 2s. 4d. per lb.

But with the knowledge that control with its fixed prices was to come off in a few months' time, farmers this last spring were seriously alarmed. It was generally considered by men who should have known, that the price of farm produce would, with the release of shipping rapidly fall, and we had just received the decision of the Wages Board raising the wages of farm workers by 6s. 6d. per week. I take it that it was under these circumstances that this Commission was appointed.

The Corn Production Act while guaranteeing a minimum price to the farmer arranged the prices on a falling instead of a rising scale. The effect of this uncertainty in my neighbourhood, Warminster, Wilts, was that it was found extremely difficult to let or sell arable farms. Ex-soldiers or civilians wanting small holdings would not take arable land; in fact a farm of 120 acres mostly arable given to the County Council for small holdings was on the advice of the Board of Agriculture handed back to the donor. Most farmers seeded down to permanent pasture one or two pieces of land and curtailed their expenditure to avoid what looked like an inevitable loss.

I am strongly of opinion that such prices should be paid for our produce that will enable us to spend money with confidence, so that we may be able to

employ more labour and grow more produce on our farms.

4473. (2) *Labour.* I am in favour of the Agricultural Wages Board, but consider there should be a close relation between the price of labour and the price of farm produce. I am satisfied that the amount of work done by our men is less and the quality worse than it has been during my experience. I believe the reasons are that during the war all the younger and most vigorous men were in the army, and we had to replace them with what we could get, and the best labour after a time tended to come back to the level of the worst. In my opinion there are two principal reasons which incite a man to work, one the fear of losing his job, the second a desire to better his position and get on in the world. I believe this to be the result largely of education. The education given in Scotland is very much better than that given here and I should like to see the Scotch system adopted.

In Scotland a boy works up to be head horseman, then foreman, then in many cases he takes a small farm and moves on to a larger one. In the South of England it is very rare for a farm labourer to become a bailiff, a position which they should be the most competent to fill, with advantage to themselves, their masters and the agricultural industry.

4474. (3) *Expenditure.* The principal items of expenditure on our Wiltshire farms are labour and cake.

(*a*) *Labour.*—I find that the wages of day labourers have risen as follows:

	£	*s.*	*d.*	
August, 1914 ..	14	0	per week.	
,, 1915 ..	16	0	,,	,,
,, 1916 ...	18	0	,,	,,
,, 1917 ...	25	0	,,	,,
,, 1918 ...	30	0	,,	,,
,, 1919 ...	36	6	,,	,,

(With a half-holiday).

Blacksmiths', carpenters' and tradesmen's bills have risen even more in proportion.

(*b*) *Cake.*—In August, 1914, cotton cake was £4 15s. per ton; to-day, £20.

Superphosphate in 1914, £2 15s., in 1919, £7 10s. per ton.

4475. (4) *Sheep.*—I should like to bring to your notice the loss incurred by keeping hurdle sheep. I am convinced that the bulk of the land in Wiltshire cannot grow corn satisfactorily without the aid of sheep, therefore the loss on sheep must, as things are, be paid for by the corn. I contend that it is in the best interests of the country that the price of fat sheep should be materially increased. I know it is thought that if the price of mutton were increased it would be beyond the reach of any but the well-to-do. Lamb, at all events, has always been somewhat of a luxury, and there are people among all classes who are ready to pay for a luxury and by so doing they would reduce the price of wheat to those less fortunate than themselves.

4476. (5) *Science and machinery.* I feel that science, as applied to agriculture, has made very little headway, and in fact unless it does so unconsciously, helps us very little. I also consider that little improvement has been made in the methods of ploughing and cultivating our land during the last 50 years. I have a double set of Fowler's engines, nearly fifty years old, that will compete in cheapness and efficiency with anything on the market. Tractors, as a rule, have been most unreliable and expensive, as have milking machines. In this connection I welcome the appointment by the Board of Agriculture of a Committee to consider the improvement of agricultural machinery.

4477. (6) *Prices to be fixed.*—The Wages Board in fixing the price of labour put a price as a minimum that must be paid to the most inefficient workman. In fixing the price of our produce I do not wish you to consider the inefficient farmer, but I do wish you to consider the poorer and more distant arable land. The price must be sufficiently high to render its cultivation profitable. We, as a country, cannot afford to let it revert to larks leazo.

4478. (7) The costs of growing corn, producing beef and mutton according to the custom of our part of the country are appended.

Cost of growing corn on the Wiltshire 8-course system.

A. *First year.*

Half rye:—	£	*s.*	*d.*
Ploughing	1	4	0
Half vetches:—			
Twice dragging	0	4	6
Twice harrowing	0	3	0
Seed	2	10	0
Swedes:—			
Ploughing	1	4	0
Twice cultivating	0	8	0
Twice dragging	0	4	6
Twice harrowing	0	3	0
Twice rolling	0	3	4
Couching	0	3	6
Drilling swedes	0	3	0
Seed	0	6	0
3 cwt. superphosphate	1	4	0
Twice horse hoeing	0	10	0
Dragging	0	2	3
Singling	1	0	0
Rent	0	12	6
Rates	0	2	6
Insurance	0	2	6
Proportion of lost time and unremunerative work	0	15	0
Interest on capital	1	0	0
Management	1	0	0
	£13	5	7

B. *Second year.*

Turnips:—	£	*s.*	*d.*
Twice ploughing	2	8	0
4 Times dragging	0	9	0
Twice harrowing	0	3	0
Twice rolling	0	3	4
Turnip seed	0	6	0
Drilling	0	3	0
3 cwt. superphosphate	1	4	0
Twice horse hoeing	0	10	0
Dragging	0	2	3
Hoeing	0	14	0
Rent	0	12	6
Rates	0	2	6
Insurances	0	2	6
Proportion of lost time and unremunerative work.	0	15	0
Interest on Capital...	1	0	0
Management	1	0	0
	£9	15	1

C.—*Third year.*

Wheat:—	£	*s.*	*d.*
Ploughing	1	4	0
Three times dragging	0	6	9
Twice harrowing	0	3	0
Two bushels seed	1	0	0
Vitrioling	0	1	0
Sowing	0	2	0
Rolling	0	1	8
Harrowing	0	1	6
Weeding	0	4	0
Cutting	1	0	0
Stooking	0	2	0
Re-stooking, bird scaring	0	1	0
Hauling	0	10	0
Thatching	0	2	6
Threshing	1	3	0
Delivering corn and sack hire	0	8	0
Rent	0	12	6
Rates	0	2	6
Insurances	0	2	6
Proportion of lost time and unremunerative work	0	15	0
Interest on capital	1	0	0
Management	1	0	0
	£10	2	11

D.—*Fourth year.*

Barley—	£	s.	d.
Twice ploughing	2	8	0
Three times dragging	0	6	9
Two harrowings	0	3	0
Two rollings	0	3	4
Couching	0	2	6
Three bushels of barley	1	16	0
Drilling	0	2	0
Weeding	0	2	6
Cutting	0	15	0
Stroking	0	1	6
Re-stroking and bird scaring	0	0	8
Hauling	0	8	0
Thatching	0	2	6
Threshing	1	0	0
Delivering corn and sack hire	0	8	0
Rent	0	12	6
Rates	0	2	6
Insurance	0	2	6
Proportion of lost time and unremunerative work	0	15	0
Interest on capital	1	0	0
Management	1	0	0
	£11	12	3

E.—*Fifth year.*

Grass—	£	s.	d.
Seeds	1	15	0
Sowing and harrowing	0	2	6
Rolling	0	1	8
Labour—hay making	1	5	0
Thatching	0	2	6
Labour—dung hauling	2	0	0
Rent	0	12	6
Rates and insurance	0	5	0
Proportion of lost time and unremunerative work	0	15	0
Interest on capital and management	2	0	0
	£8	19	2

F.—*Sixth year.*

Turnips:—	£	s.	d.
Raftering	0	16	0
Twice dragging	0	4	6
Ploughing	1	4	0
Twice dragging	0	4	6
Twice harrowing	0	3	0
Twice rolling	0	3	4
Turnip seed	0	6	0
Drilling	0	3	0
3 cwt. superphosphate	1	4	0
Twice horse hoeing	0	10	0
Dragging	0	2	3
Hoeing	0	16	0
Rent	0	12	6
Rates	0	2	6
Insurances	0	2	6
Proportion of lost time and unremunerative work	0	15	0
Interest on capital	1	0	0
Management	1	0	0
	£9	9	1

G.—*Seventh year.*

Wheat as before	£10	2	11

H.—*Eighth year.*

Barley as before	£11	12	3

J.—*Summary of Totals:*—

	£	s.	d.
First year	13	5	7
Second year	9	15	1
Third year	10	2	11
Fourth year	11	12	3
Fifth year	8	19	2
Sixth year	9	9	1
Seventh year	10	2	11
Eighth year	11	12	3
	84	19	3

	£	s.	d.	£	s.	d.
Roots fed to cattle, 80 tons per annum. At £1 10s. per ton this is 6s. per acre. Value of roots fed to cattle per acre for 8 years	2	8	0			
Value of wheat straw sold £1 per acre per wheat crop. Value for the 8 course	2	0	0			
	4	8	0			
Deduct				4	8	0
				£80	11	3

The produce of this acre of land in corn for 8 years should be 15½ qrs.

K.—*August*, 1919.

	£	s.	d.
Cost of grazing a 2-year old steer. Feb. 1st until May 1st. In a yard, having 4 lbs. cake per day, 56 lbs. roots per day. Straw against manure.			
Cost for 13 weeks—3⅓ cwts. cake at 21s. per cwt.	3	10	0
2 tons 5 cwts. roots at 30s.	3	7	6
Attendance, 1s. 6d. per week	0	19	6
May 1st until October 15th.			
Cost for 24 weeks—Grass at 3s. 6d. per week	4	4	0
Oct. 15th until Nov. 5th.			
Cost for 3 weeks—Grass at 2s. 6d. per week	0	7	6
4 lbs. cake per day, 22s. per cwt.	0	16	6
Nov. 5th until Nov. 26th.			
Cost for 3 weeks—Grass at 2s. per week	0	6	0
½ cwt. hay per week at 12s.	0	18	0
6 lbs. cake per day at 22s. per cwt.	1	4	9
Nov. 26th until Feb. 3rd.			
Cost of 10 weeks horse feeding.			
6 lbs. cake per day, 8s. 3d. per week.			
2 lbs. meal per day, 2s. 6d. per week.			
1 cwt. hay per week, 12s. per week.			
56 lbs. roots per day, 5s. per week.			
2 lbs. treacle per day, 1s. 6d. per week.			
Attendance, 1s. 6d. per week.			
Cost per week £1 10s. 9d.	15	7	6
Total for 10 weeks horse feeding.			
6 per cent. interest on £40 capital	2	8	0
	£33	9	3

L.—Cost of keeping 400 ewes and their produce for one year:—

	£	s.	d.
Shepherd at 45s. per week	117	0	0
Boy at 25s. per week	65	0	0
Shepherd month wages for lambing	9	0	0
Labourer helping shepherd, 2 months at 43s.	17	5	0
Shearing	10	0	0
Dipping	2	0	0
Maggot wash medicines, etc.	2	0	0
Labour, fixing and taking down lambing pen	10	0	0
Man and horse waiting on sheep	50	0	0
Hurdles, 20 dozen	26	0	0
Cribs, 2 dozen	4	0	0
Troughs	4	0	0
Cake, 1¼ cwt. per head. Half cotton half linseed, at £23 per ton	690	0	0
Deaths, 5 per cent. of ewes	80	0	0
Depreciation of ewes, 5s. per head	95	0	0
Rent, 250 acres down at 7s. 6d.	93	15	0
Use of rams	10	0	0
Interest on capital, £2,000	120	0	0
	£1,405	0	0

This is the cost of the sheep allowing nothing for *hay, straw, roots or management.*

The value of the 80 tons of hay they would require at £12 per ton would be £960.

Receipts for sheep:—

	£	s.	d.
400 lambs at 1s. 2d. per lb. plus skin. 40 lbs. each at 7 months old, 54s. each	1,080	0	0
Wool from 380 ewes at 16s. each ...	304	0	0
Total receipts	£1,384	0	0

(This concludes the evidence-in-chief.)

4479. *Dr. Douglas*: You speak in your evidence of the severity of control which, you say, was unjustly exercised, and then you say when it was known last spring that control and fixed prices were to come off in a few months' time farmers were seriously alarmed. Will you explain why that was?—I go on to explain that. I say: "It was generally considered by men who should have known that the price of farm produce would, with the release of shipping, rapidly fall."

4480. Do you suggest that farmers were actually dependent at that time upon control to keep up prices?—I understood, under the Corn Production Act, that we were to have a guaranteed minimum price to cover the cost of production.

4481. Do you suggest to me that farmers believed that the prices of cereals would fall below the level of the Corn Production Act?—Not below the 45s.

4482. What were they afraid of; I only want to get your meaning quite clear?—As I say, we had the extra rise in wages, bringing the wages to 36s. 6d. a week, and we knew very well that we could not produce corn at so low a price as even it is to-day, 75s. 6d., with that wage.

4483. The removal of control would not have repealed the Corn Production Act, would it?—No, it would not remove the guarantee, but while there was control there was no necessity for a guarantee. When the control was taken off it was another matter.

4484. The control of cereal prices gave no guarantee of any price?—I fancy we rather realised that it did.

4485. That was a mistake, was it not? Do you say that in your neighbourhood there was a great unwillingness to take or to buy arable farms?—Yes.

4486. You do not suggest that was general in the country, do you?—I do, in our neighbourhood.

4487. Was your neighbourhood rather peculiar in that respect?—I only speak from my own experience.

4488. Has there not been a very keen market for farms?—Not for arable farms.

4489. I will take your answer?—The farm I had in mind was, in my opinion, the best arable and sheep farm in the Warminster district, and they had great difficulty to let it. They have let it now, but, in my opinion, they have had to accept a very poor class of tenant.

4490. Was that because the expense of going into farms was so great—the cost of stocking, and so on?—That was a farm which required a flock of sheep, and sheep lose so much money that people would not face it. Further, Mr. Lloyd George and various members of the Government told the country to expect a fall in the price of food, and we have been expecting this fall.

4491. Are you so much influenced by the statements of political speakers in your part of the country?—Oh, yes.

4492. To go on to your other point, paragraph No. 2, Labour, you say—and it is an important matter—"I am satisfied that the amount of work done by our men is less and the quality worse than it has been during my experience." What period are you refrring to?—The period following the first two years of war.

4493. During that period I suppose a large number of your younger workers joined the Army?—Yes, but during the first two years of the war I was quite satisfied with the amount of work done. After that we had to have soldiers and any men we could get, and their work was of a very indifferent character, and, as I suggest here, our better men could not see why they should put in a good day's work and serve us faithfully while the other men were only doing half a day's work.

4494. The substitute labour was inferior in character?—Yes.

4495. You think that had some bad effect upon the other men?—Yes.

4496. Of course that substitute labour has now disappeared or is disappearing?—Yes.

4497. Have you any reason to believe that there is any permanent deterioration—any deterioration for the future—of the quantity or quality of labour? I am asking simply for information; it is a very important point? As I go on to say, if a farmer has not got a chance to get rid of a man if he is unsatisfactory, and you have to employ all the men you get, irrespective of their efficiency, that will gradually tend to bring down the quality of labour.

4498. That simply means that labour being scarce, you have to employ indifferent labour as well as the better class of labour?—Yes.

4499. You have to take what you can get?—Yes. I have now plenty of men, and have had during the last fortnight, but, as you know, we had a very dry summer, and there was not much work to do, and as two or three of my men were unsatisfactory I suggested at Michaelmas that they should go somewhere else. I think that will have a good effect.

4500. You regard the difficulty as a temporary one. It is sometimes suggested that the increase of wages has had a tendency—I do not make the suggestion myself, but I have heard it suggested—to depreciate the industry of the agricultural labourer. Do you believe that, or have you any reason to suspect it?—I do think it is somewhat true, but I should not like to make a general statement to that effect.

4501. You do not really put that forward as a serious factor for the future?—No.

4502. You do not think that the increase of wages has had a bad effect upon the productiveness of labour?—I do not think so.

4503. I do not quite know what things you have in view when you speak in the very flattering way that you do of the Scotch educational system. What is it you refer to?—I have known gentlemen from Scotland, and they tell me that the education given in Scotland is very much better than ours at what I think they call the Board Schools there. The farmers' sons and the labourers' sons go to the same school, as the education that is given there is quite good enough for the farmers' sons. Also you see Scotchmen get on, wherever they go, all over the world. For instance, I had a Scotch boy working for me last summer; he was a soldier. I as a rule do my harvesting by piecework, and the old man who used to take the money and divide it among the men had got a bit past it, and so I asked some of my other men to take the money and divide it. They said they were not scholars enough to do it, and the only person I could get who was capable of doing it was this Scotch boy.

4504. Is there anything of a practical kind that you meant to suggest by that paragraph?—Yes. We are thoroughly dissatisfied with the education given to our men. If they write to us for a place they cannot write a legible letter or express themselves at all. I do think if they were better educated they would be far more useful to us, and I should like to see them trying to take these small holdings and farms and getting on.

4505. What you are putting to us, apart from national questions, is really that you think it would be good for everybody all round if we had a higher standard of general intelligence?—Yes, and I do think that the men between 40 and 50 who were educated under the old system seem more intelligent than the boys of 18 and 25 who are coming to us now.

4506. To go to your third heading, Expenditure, you show the increases in the wages of day labourers during the War. You give rates rising gradually from a very low figure of 14s. a week pre-war to a figure five years later of 36s. 6d. a week?—Yes.

4507. That does not cover over the year the whole of the payments, does it?—No, that is not an average figure.

4508. There are other payments, are there not, in addition? There is the harvest payment, for example?—Yes.

4509. Has that increased correspondingly: what would be the increase in that?—We used to pay 3d. and 4d. an hour overtime. Now we pay 10d. and 1s.

4510. Do you not have a special harvest wage?—Yes, in Wiltshire 1s. an hour overtime, and as a personal arrangement between myself and my men I pay them 1s. a day in addition—but that is not according to the Wages Board scale.

4511. The minimum of the Wages Board is 36s. 6d. and 1s. overtime for harvest?—Yes.

4512. You have no special lump sum that you pay in Wiltshire as is the case in some districts?—No.

4513. What was the payment in 1914?—I did piecework in those days.

4514. So that they are not really comparable?—No.

4515. With regard to paragraph No. 4, Sheep, what do you mean to suggest when you say sheep are unprofitable? Has sheep feeding been unprofitable during the last few years?—Most unprofitable. You have my statement of accounts.

4516. Do you feed your sheep on roots?—At certain times of the year.

4517. I do not think you would say that it has been the general experience that sheep feeding has been unprofitable during the last three or four years?—Yes, I should say so.

4518. Even making allowance for the value of succeeding crops after the sheep feeding?—I take it you ought to take the sheep by themselves.

4519. If you are giving food to sheep, roots or whatever it may be, there is a considerable residue which goes to the benefit of the succeeding crop?—Yes.

4520. Do you not credit the sheep with anything for that?—You will see from the balance sheet I have got out for our eight course system that I cultivate four crops for the sheep. For four years the land is under sheep, and they do not pay a half-penny for that.

4521. Why do you keep them if they are unprofitable?—Because we cannot grow any corn without them.

4522. Part of your cost of sheep feeding really belongs to the cost of corn growing?—It does at present.

4523. When you speak of prices, have you worked out in any sort of detail the cost of growing wheat in your district?—Yes, they are shown on these accounts that you have before you. This is for a whole eight course rotation.

4524. Yes, I was coming to that. I see in each of the accounts you put down a sum of £1 for interest on capital?—Yes.

4525. You put down that sum whatever the total cost may be. How do you get at it?—I should take my capital from the farm and average it at about £17 an acre on my arable land.

4526. You take it simply over the average without regard to the operation?—Yes.

4527. If you look at your Summary of Totals, I do not quite understand the item "Roots fed to cattle, 80 tons per annum. At £1 10s. per ton this is 6s. per acre. Value of roots fed to cattle per acre for eight years, £2 8s." Is £2 8s. an acre all you return for your roots?—The 400 acres of arable land is half in corn and half in sheep's feed. The sheep eat practically the whole of the produce of the 200 acres excepting 80 tons which I pull off for feeding my bullocks.

4528. 80 tons is £120 worth of roots every year, is it not?—Yes.

4529. You take the acreage of the whole farm into account in the 6s. per acre?—Yes. In a course like this I take it you must take the whole 8 years together.

4530. Then you say: "The produce of this acre of land in corn for 8 years should be 15½ quarters." That is something less than 2 quarters a year?—Yes.

4531. Is that the actual acreage in corn, or is it the whole acreage of the farm?—The whole acreage. It is a trifle under an average of 4 quarters a year.

4532. *Mr. Rea*: With regard to the question Mr. Douglas asked you about farmers wanting guaranteed prices of grain for this year, I think it was not quite cleared up what was in your mind. He asked you whether farmers were afraid of prices falling below the 45s. guaranteed by the Corn Production Act. Was not the feeling rather that farmers were afraid that prices would fall below what they were last year? They knew that wages were fixed at a high scale, and would not drop to the 25s. under the Corn Production Act, and they felt, did they not, that they must have some protection in the case of a big drop in the world market price of grain?—Yes.

4533. The question of the 45s. did not come in unless they considered in relation to it the question of the 25s. minimum wage. You knew that your wages were 36s. 6d., and you wanted a guarantee of prices to enable you to pay that sum, did you not?—Yes.

4534. In your production I see you take the constant figure of 15s. an acre for unremunerative work?—Yes.

4535. Do you arrive at that by accounts, or is it just an estimate of what it will amount to?—It is rather an estimate, but I think it is a low one.

4536. It is taking all the crops there throughout the rotation?—Yes.

4537. In the grass, for instance, you would not get that?—The only things I meant to bring out in these accounts were the cost of corn, wheat, and barley, mutton, and beef. You cannot take the cost of hay by itself, I take it, in this case.

4538. You do not show where you use your farmyard manure?—Yes, I do. It is in the 5th year. I only charge the labour: "Dung hauling, £2."

4539. Yes, that is so. Is the spreading included in the £2?—Yes.

4540. The value of the manure you have lumped into the results of the crops?—I have charged nothing for the value of the manure.

4541. Have you any idea as to how much of the value of the subsequent corn crops is due to the eating of the turnips by the sheep?—On our Wiltshire Hills, on account of the loss incurred in keeping the sheep, farmers have given them up. As a rule they have got on and made money very well for four or five years, but after that they can grow practically nothing, and if these sheep are given up altogether I believe the land will be derelict. I do not think without the sheep, even with artificials, you could grow enough to pay for the cultivation.

4542. It is light land, I take it?—Yes.

4543. Is 12s. 6d. an acre an ordinary rent for land capable of growing 4 quarters of wheat to the acre in your district?—Yes.

4544. In your sheep account you charge depreciation of ewes 5s. a head over the whole flock?—Yes.

4545. Do your ewes depreciate from the time they are shearlings?—In my case I buy regular draught ewes, and keep them two years, and my depreciation is much heavier than that.

4546. It is not a breeding flock?—No, but is there not a flock of teggs being kept practically for nothing a year?

4547. There is the wool, of course?—The shepherd's wages are £117 a year, and it would take the wool to pay for that.

4548. In the results have you only 400 lambs—practically one lamb per ewe—from these old matured ewes?—Yes, we do not do much more than that. It has been a particularly bad year this year, and it is rather surprising to have had so many.

4549. Your average does not exceed that, taking one year with another?—No.

4550. *Mr. Anker Simmons*: The land that is referred to here is just the class of land that we have got to pay special attention to, inasmuch as it all depends upon the future price of cereals whether it will be kept under the plough or not?—That is exactly my opinion

4551. Unless some price can be guaranteed which will protect the farmer, at any rate, from heavy loss, this ground will go down to grass, and will be grazed as a sheep run?—Yes; that is my opinion.

4552. It is very essential to us that we should get reliable figures as to the cost of production of various crops?—Quite.

4553. I am rather struck with one thing in your tables: Do you not grow oats at all?—I hardly grow them at all now, and I do not think that it affects these figures. We have been so hit by eelworm and wireworm, and drought that from growing big acreages of oats we have only got 14 acres this year.

4554. The cost of growing oats and barley would materially differ?—It would be in proportion to wheat and barley, but we cannot get on with growing oats now.

4555. These figures are practically all estimates; they are not taken from costings? They are not taken from my own books, but they are figures which I think are typical of Wiltshire farms.

4556. You charge the same price for the second ploughing as you do for the first ploughing. Would that be quite the custom?—I think so.

4557. According to you, the average cost of growing swedes would be about £13 an acre; turnips a shade under £10 an acre; and wheat £10 an acre?—You have to put on to the cost of the wheat these other costs because the sheep have paid nothing for eating the swedes and the turnips.

4558. You have to allow half the tillage?—No, the whole.

4559. In any valuation you would be allowed half, because it is presumed that half goes into the land and half into the sheep's bellies?—We have tried very hard to get the whole tillage, and we think it just that we should, because the sheep pay nothing.

4560. Do you think the valuers would agree to debit the corn crop with the whole of the cost of the preceding green crop?—I think they should agree.

4561. Have you discussed the matter with your local valuer, Mr. George Ferris, at all?—I read a paper on sheep management at the South Wiltshire Chamber some time ago, and he wrote to me with regard to it, and asked my opinions, and said he would put them before the local surveyors, or the Surveyors' Institute.

4562. It practically comes to this, that the cost of working this one acre for 8 years, according to you, amounts to £80, in round figures, and you say the produce of that land in corn for the 8 years would be 15½ quarters?—Yes.

4563. Is that based on four quarters of wheat and four quarters of barley?—It is just a trifle under; we do not think it would average four quarters.

4564. Putting that return of corn as being in round figures worth £50, you have only got the value of the hay crop, which would be liberal at £7 10s.?—The sheep have eaten the hay crop and paid nothing for it. You will see that in my estimate with regard to the sheep.

4565. In an ordinary case I suppose there would be some upland where hay is grown. Suppose you have put your land for a season down to clover—mixed seeds, as we call it—you would not feed the whole of that every year; you would feed the first crop?—We should make hay of it, but in the winter the sheep have eaten that and paid nothing for it. If you look at my sheep estimate you will see the £1,405 is the cost of the sheep, allowing nothing for hay, straw, roots, or management. The value of the 80 tons of hay which they require, at £12 a ton, is £960, and they have eaten that hay and paid nothing for it.

4566. To arrive at the cost of production of wheat, barley, or oats, we shall have to make some allowance for the value of the hay crop, whether it is eaten or whether it is sold. You have not adopted any system of costings as the basis of your accounts. You have taken the cost at the cost a valuer would allow?—Yes.

4567. That is how you have arrived at your figures?—Yes. I hope you are quite clear about the sheep. As you know, on one of these hill farms with a flock of 400 ewes, which should be kept, there would be 200 acres of roots and grass and hay grown for them. There would be only 50 acres of what we call new field, which would produce 60 to 70 tons of hay. You know quite well that 400 ewes will eat that hay in the winter. There is an enormous loss on our sheep, and unless we get a guaranteed price for the sheep we must get it for the corn.

4568. It would be very much more difficult to get a guaranteed price for sheep than it would be for cereals, and what I want to get from you is that in estimating the cost of the production of cereals we must in this case, on your evidence, make an allowance for what the sheep keep is worth in order to manure the land to produce the wheat crop. That is so, is it not?—We have seen what the sheep do cost, and they do not pay anything, and therefore we cannot allow anything. If they did not have the 80 tons of hay we could not keep the sheep.

4569. The manuring is a debit to the cereals?—Yes.

4570. You could not grow the corn unless the sheep were there?—No.

4571. Every cost, therefore, of feeding the sheep on the land is a debit to the cereal crop?—Yes.

4572. In that way you increase the cost which you give here of getting your wheat in the third year. You would have to add to that some portion, at any rate, of the cost of the preceding two green crops?—Certainly—in my opinion, the whole.

4573. If you add the whole you would arrive at an impossible figure, because you would make the cost of production of wheat £32 an acre?—Not the whole to the wheat; part of it would be carried on to the barley.

4574. Yes, a bit of it?—The way to get at the cost of the quarter of corn is to divide 15½ quarters into the £80, and I should like the price of lamb put up a shilling a pound, which would reduce that to £64. I think a pound of lamb ought to be worth as much as a pound of bacon.

4575. Dealing with your figures relating to the cost of producing beef, what do you estimate the original cost of the two-year-old steer, to start with?—I should put it at 7 cwts.

4576. What would you give for it as a store—say £30?—Yes.

4577. According to you, you would have to produce a beast that is worth when it is sold for slaughter £63 10s. in order to get your money back, let alone any profit?—Yes.

4578. What would be the average price a beast going off your farm would make, according to to-day's prices?—That would be about 12 cwts.

4579. That would be worth to-day £48. The prices are, roughly, 80s. a cwt.—within a shilling?—Yes.

4580. So that, according to you, you would lose £15 on every bullock you produce?—That, you see, is taking to-day's prices; we are asked for the prices at a certain time.

4581. You put your cake at £22, whereas to-day's price is £26?—That is linseed.

4582. You would use linseed, would you not, for feeding cattle?—Half linseed and half cotton.

4583. Cotton is £20?—Yes.

4584. You have averaged it at £22, but even on your figures you would lose £15 on every beast you produce. Do you think that is your position?—I think it will be next February. It has not been the case so far, because the wages have not been up at this figure long enough to influence it, and the cake has not been up to its present price. It was £14 last spring, and I have not allowed for any cake all the summer, but it will affect me in the winter. There are the wages, the roots, and the straw, and attending.

4585. Turning to your sheep account, if you add the value of the 80 tons of hay, putting it at £6 a ton, which is the cost of production, you bring your expenses up to £1,900, as against your income of £1,384, or, in round figures, £1,400?—Yes.

4586. So that, according to that, you would lose £500 on 400 sheep?—You cannot quarrel with those figures.

4587. You can make figures prove anything almost, but you have to get at what is the rock-bottom result. Do you honestly think that you are losing on your flock of 400 ewes £500 a year?—Directly, I am, certainly. I have to put that against the corn, and that increases the cost of the corn.

4588. According to your corn account, you are not making more than £2 profit, if you reckon the cost of your green crops. Without debiting your corn crop with even one half—which, I maintain, you would be entitled to do—of your green crops, you only get a balance, taking the eight years, of just over £2?—We do not know what the price of barley is to be yet; that may be our salvation.

4589. Have you turned over in your mind at all about what kind of figure, taking wheat, the guarantee should be, putting it at the lowest possible figure a

farmer could depend upon to make of his wheat, which is, after all, the main proposition, although in your part of the world barley is worth more than wheat?—I do not see why you should put it like that. I consider it is in the interests of the country to give us a good price for wheat.

4590. We look to people in your position to come here and help us to solve the problem that we have to solve, which is, first of all, whether a guarantee is necessary to meet the increased cost of labour, and, if so, what is a reasonable sum to put it at? It is to men of experience like yourself that we look for guidance in this matter?—I think that 80s. would be as low as one could expect.

4591. *Mr. Overman*: As regards your costs for this year, are they figures that represent the customary figures of the country, or have you worked them out on actual prices paid? Take your item of £1 4s. an acre for ploughing?—Yes, I have worked them out. It is rather below the price of steam ploughing, and below the price of tractor ploughing.

4592. How much do you charge for horse labour?—5s. a day.

4593. How many acres do you plough with a single plough a day?—Two-thirds of an acre.

4594. On that light land?—Yes, on short days in the winter they would not do more than that.

4595. Yes, but on an average?—Three-quarters of an acre.

4596. How many acres dragging?—7½ acres.

4597. I see there is no muck put on to any crop?—Yes, in statement No. 5—on to the grass.

4598. All your muck goes on to your seeds?—Yes.

4599. Have you kept pretty accurate accounts in the past few years?—Not the last few years.

4600. As regards these 400 lambs from 400 ewes, is that a deduction you draw from book-keeping, or is it actually the number of lambs you have bred on the average?—That is my experience.

4601. From figures?—No, from memory. The regular flocks in our neighbourhood do not average one lamb per ewe.

4602. What flock do you keep?—Hampshire Downs.

4603. At weaning time do you sell the lamb?—No.

4604. When are the lambs born?—At the end of February or early in March.

4605. When do you sell them?—We sell at 7 months.

4606. That is about the average time?—Yes.

4607. Are many of them sold as store lambs, or are some sold to the fat market?—As a rule, stores.

4608. *Mr. Ashby*: The foundation of your system of farming is the sheep consuming the roots?—Yes.

4609. You have estimated the costs and the receipts from your sheep farm?—Yes.

4610. Which, on your own figures, gives you a very small profit of about £21?—That is a loss of £21, not a profit.

4611. That loss has to be transferred to the various crop accounts?—Yes, and you see beyond that loss they pay nothing for hay, or the straw, or the roots; you quite realise that.

4612. Yes, I quite realise that. Will you look at one or two of your items of expenditure: "Hurdles, 20 dozen, £26." What does that exactly mean?—We buy 20 dozen each year.

4613. Will you look at another item lower down: "Deaths, 5 per cent. of ewes"; that is 20 ewes out of a flock of 400. You put that at £4 each, £80?—Yes.

4614. What have you done with the skins?—We might have kept those ewes for six months before they died, and we would put the skins against the loss of keep.

4615. Then you have an item: "Rent, 250 acres Down at 7s. 6d. an acre." Is this land your own?—No. I rent it.

4616. Do you pay 7s. 6d. an acre for it?—Yes.

4617. Have you ever made estimates of this kind before?—No.

4618. Are you sure?—I sent figures much like these to the Costings Committee—or it might have been an enquiry with regard to the Wages Board—some two or three months ago.

4619. What was the rent you paid then?—I could not tell you.

4620. Has your rent been increased this year?—Yes, it has.

4621. You stated a few moments ago that your total capital per acre was about £17?—Yes.

4622. Does that include these sheep?—That is a point—I should think it would.

4623. Would you just think about the interest on the crops and on the sheep? Are you not duplicating it? You have put £1 an acre against each crop, and you have put £120 interest against your sheep?—I think I have in that instance, but it ought really to show against sheep. If you are making a separate sheep account it ought to show it there.

4624. If your £17 an acre includes these sheep you are charging rather more than 5 per cent. interest on £17 against each crop, and you are also charging it against the sheep. You will have to knock out that item of interest on the sheep, or halve it on the crops?—Yes, that would be so, I think.

4625. Would you look at the last item on that page: "400 ewes at 1s. 2d. per lb., plus skin, 40 lbs. each at 7 months old, 54s. each"?—Yes.

4626. Should not you consider that in normal times those lambs will weigh about ½ cwt. each? Did you not, as a matter of fact, consider that?—No, I do not think so. One of my neighbours picked out a few of his best lambs and sent them to our local grading centre last Saturday week. He thought they were 46 lbs. each, but they were graded at 42 lbs., and they actually weighed 40 lbs. They were his best lambs.

4627. Have you ever weighed any lambs?—Oh, yes.

4628. Recently?—I have not weighed any this year; I sold a few last year.

4629. Have you weighed any lambs within the last two years?—Yes.

4630. Did they, as a matter of fact, average 40 lbs. each?—That is about what I thought they would put them at. When they were grading them they did not put them at 40 lbs., and they did not come to 50s., so I stopped the grading of them and sold them as stores.

4631. The whole of these figures on the sheep account are estimates?—They are the result of my experience.

4632. But they are estimates?

The Chairman: I think the witness has already said that the whole of these accounts are estimates; they are not the product of his book-keeping. He has already said that he has not kept accounts in the last few years.

4633. *Mr. Ashby*: Let us turn to your rotation for a moment. You are, as a matter of fact, in this general paper estimating the cost of the whole rotation in this current year?—Yes.

4634. You have 8 crops, 5 of which are consumed by the sheep, and on which you lost money?—Yes.

4635. Three of them you sold?—There are four cereal crops, are there not?

4636. Yes, I beg your pardon, four cereal crops; so that if you take, say, 8 acres as representing one crop in the rotation right through this year you have 4 acres which are yielding you cereal crops which you are going to sell?—Yes.

4637. The average cost of the whole 8 acres when you have deducted everything is £10 12s. 5d. an acre?—Yes.

4638. You deduct the roots fed to cattle, and the value of straw, and you get to about £10 an acre?—Yes.

4639. Then you say you have 15½ quarters of corn which, roughly speaking, is about 4 quarters an acre on your 4 acres?—Yes.

4640. Have the prices you have received from these 4 quarters up to date met the total cost, including the loss on sheep?—Yes. Two years ago we had a bad crop of corn, but last year we had an over-average crop.

4641. But they have, as a matter of fact, more than covered the cost, including this rather undue amount of interest?—I should say so.

4642. Might I put this question to you: You admit that each one of these groups of figures are estimates?—Yes.

4643. If there are small errors or large errors in these estimates, your profits might be either greater or less than would be shown by taking this £10, and the produce of 4 quarters of corn sold?—Yes.

4644. Does your bank book show you that the profit is greater or less than would be shown on these figures?—I take it it would show them to be greater, because on the figures I am working on we have had practically a 20 per cent. increase in cost. Cotton cake has gone up from £14 to £20, and labour from 30s. to 36s. 6d. Coal has also gone up 6s., and the tradesmen's bills, and everything else, will be in proportion, and, in addition, we have this year, in particular, got a low average yield.

4645. Would you just turn for a moment to the cost of producing beef—I take it it is?—Yes.

4646. Is this meant to cover one year?—Yes.

4647. Have you added up the number of weeks? It is 53, is it not?

4648. Do you think there are any other errors like that in these calculations?—No, I do not think so, but I do not think that it makes much difference really to the result.

4649. *Mr. Cautley*: Are you a tenant farmer?—I am.

4650. Solely?—Solely.

4651. How long have you been a practical farmer?—I left school when I was 17, I was with my father for some years, and then my brother and I were in partnership, and I think I have been on my own for about five years.

4652. Altogether how long experience is that?—26 years.

4653. Always in Wiltshire?—Always in the same place.

4654. On the same farm?—Yes.

4655. Your farm, you told us, is 400 acres?—Yes; 400 acres arable.

4656. Half tillage land and the other half grass?—Yes. I also occupy a farm of 2,000 acres, but my figures are taken from the previous one.

4657. That is to say, you cultivate 200 acres, roughly, and the other is down land?—Yes. These figures are typical of Wiltshire generally.

4658. The point of my question is this: Do the figures you have given us relate to a large tract of country in Wiltshire?—They do.

4659. Could you tell me at all roughly how big an area, because Wiltshire farming seems to be in a very serious position? Would you call it Wiltshire Hill farming, or what do you call it?—The Wiltshire Hills, including the whole of Salisbury Plain and Marlborough Plain and the Swindon Plain. There is better land in the valley, where wheat can be grown cheaper, but this poor land cannot be cultivated without sheep.

4660. This is the poorer land in Wiltshire?—Yes.

4661. It covers a large tract of country?—Yes.

4662. You could not tell us the size of it?—No.

4663. Would it run into 100,000 acres?—Yes, more.

4664. 200,000 or more than that?—Yes, I should think it would be over 200,000 acres.

4665. You cannot grow corn without sheep?—No.

4666. Is that the reason you charge the interest on the growing of each corn crop on £17, the amount of capital, over the whole acreage?—Yes.

4667. It is impossible, in your view, I take it, to separate the amount of capital used in the corn growing as apart from the rest of the farm?—Certainly, it is impossible to divide it.

4668. The sheep form part of the capital?—Yes.

4669. They are necessary to the growing of the corn?—Yes.

4670. Are your figures framed on the existing prices of the day?—For labour?

4671. Yes, but for cakes and the other items where you put the prices against them, are they all on the current prices of to-day?—Of course, hay enters very little into it, and the roots are perhaps at a local figure.

4672. I understand that the hay eaten by the sheep does not appear in the account at all?—It does not.

4673. So that to you it would be a much more profitable business apart from the necessity of having sheep on the farm to sell the hay which at present you feed to the sheep?—Certainly.

4674. But if you did that the arable land would have to go out of cultivation?—Yes.

4675. Could you keep the sheep on the grass alone without the tillage land—without the roots?—No, we get them so subject to disease in that case.

4676. It would not be practicable to let the tillage farm go and turn it all into a sheep farm on grass?—No. I may say that was done on one occasion. My father was farming in the '60s, and in 1879 he took a farm which was largely arable at the time. Prices were very bad then, and he laid it down to grass and did extremely well for a number of years. Then suddenly the sheep began to die and got eaten up by internal worms and one thing and another, so it was a failure.

4677. You say it is impossible, that it is not a practical proposition?—That is so.

4678. Are you a representative of the farming community in Wiltshire—are you on any representative body?—I am not sent here by anybody, but I am Vice-Chairman of the Farmers' Union and Chairman of the South Wilts Chamber. I do not know why I was called here to-day.

4679. Are we going to see anybody else from your country?—I have not heard so.

4680. Your suggestion therefore comes to this, that you ought to have a free market in lamb?—Yes, I think that is most important.

4681. Lamb you regard as a luxury, I understand?—Yes; it always was a luxury.

4682. And always commanded a better price than mutton?—Certainly. I should like to read you this cutting from our local paper of the 16th August last with regard to Britford Sheep Fair. Britford Fair is one of the biggest affairs in England. It is close to Salisbury. It was held on the 12th August. This says: "Whereas in years gone by as many as 70,000 or 80,000 sheep have been penned on the Fair ground, nowadays between 13,000 and 15,000 sheep is the average. On Tuesday the entry was slightly more than last year, when about 13,000 were sent to fair, and there were again many grand ram lambs from leading Hampshire Down breeders. Trade was far from satisfactory from the point of view of the sellers." Mr. Harding, speaking afterwards at the presentation of prizes, said: "The serious part of the matter was that by giving up the flocks, the corn crops would be reduced by one-half, and the nation did not appear to realise the seriousness of that." Then we go on to the ram sales, and in connection with Major Morrison's sale it says: "Owing to the continued drought and the dispersal and reduction of so many flocks, there was no demand for the lambs on offer from this renowned flock." They could not sell the ram lambs because people were giving up the ewes.

(*The Witness withdrew.*)

Mr. L. N. GOODING, Norfolk Chamber of Agriculture, and Farmers' Federation, Ltd., called and examined

4683. *The Chairman*: You are an Estate Agent, and have been asked to give evidence before the Commission on behalf of the Norfolk Chamber of Agriculture and the Farmers' Federation, Ltd.?—Yes.

4684. You have put in a *précis* of evidence which perhaps you will allow me to take as read?—Yes.

Evidence-in-chief handed in by Witness.

4685. (1) I am now and have for the last 20 years been estate agent to Mr. W. N. L. Champion, of Riddlesworth Hall, Norfolk, and have the control and oversight of upwards of 5,000 acres of land. I am a Fellow of the Auctioneers and Estate Agents' Institute.

4686. (2) I have been instructed by the Norfolk

Chamber of Agriculture and also by the Farmers' Federation, Limited, to appear and give evidence on behalf of those bodies before this Royal Commission.

4687. (3) In the first place, I would wish to point out very strongly that owing to the increased rate of wages and the cost of all other farm commodities having been so recently increased, and having regard also to the abnormal conditions of farming for the past five years, it is impossible to produce any accurate or comprehensive figures with respect to the cost of producing any specific crop in the immediate future.

4688. (4) I would also wish strongly to point out that owing to

(1) the break of the four-course shift as practised in the county of Norfolk,
(2) the frequent successions of corn following a corn crop,
(3) scarcity of fertilizers,
(4) reduced number of bullocks grazed and consequent shortage of farmyard muck,
(5) the scarcity of sheep,
(6) the scarcity of labour,

the fertility of the land is of necessity greatly deteriorated, and no figures I can give can be regarded in any way normal.

4689. (5) I would also wish to point out that the Norfolk Chamber of Agriculture only received permission for them to give evidence on the 9th August, and that a copy of this evidence-in-chief, together with any figures or suggestions, had to be put in by Friday, the 15th instant, and my attendance was required on August 20th. It will therefore be seen that owing to all these foregoing reasons I am placed in a matter of considerable difficulty in giving my evidence.

COST OF PRODUCTION.

To arrive at the cost of production of Agricultural Produce it is necessary first to estimate the cost of the various cultivations required to produce any given crop.

We can divide under the following heads:—

1. The cost of keeping farm horses.
2. The manual labour required and the value of same for each operation.
3. The cost of ploughing and other cultivations with horses
4. The cost of working farm tractors and to what extent these can substitute the horse labour on the farm.

A. *The Cost of Horse Labour.*

The value of the average amount of food consumed by the ordinary farm horse each week at present market prices based on returns received from holdings totalling 5,911 acres in Norfolk and employing 130 working horses is as under:—

Average cost of food consumed by each farm horse every week.

	In the Stable.		At Grass.	
	s.	d.	s.	d.
Corn, 5½ stone at 2s. 4d. ...	12	3	7	7½
Hay, 9 3/10 stone at 11½d.	8	10½	3	4½
Straw for fodder	2	1		
Roots, bran, &c.	3	2½	1	6
Value of grazing on meadows Lucerne, &c., cut green	—		4	8
	£1	6 5	16	9

(*See* Schedule "A," Table A (1), Appendix VII.)

The value of straw used for litter has not been taken into acount, as it is considered this is returned in the manure.

The average number of weeks a horse is in the stable or yard at night is found to be 33 and the number of weeks turned out to grass 19.

Horses are not always at work each day in the year, having to stand idle in the stable in bad weather (especially upon heavy land during the winter), so it is necessary to work out the *annual* cost of each horse before we can arrive at the cost of each day's work on the farm.

Annual cost of keeping one farm horse.

	£	s.	d.
33 weeks in the stable at 26s. 5d. per week	43	11	9
19 weeks at grass at 16s. 9d. per week	15	18	3
Shoeing at 1s. 9d. per week	4	11	0
Veterinary at 9d. per week	1	19	0
Repairs to harness and renewals at 1s. 3d. per week	3	5	0
Depreciation at 4s. per week	10	8	0
Total outlay for one horse per annum	£79	13	0

Taking the returns received from 10 holdings working 130 horses, it is found after deducting Sundays, and allowing for time lost on account of bad weather, that the average number of days each horse is working on the farm during the year is 267. (*See* Schedule "A," Table A (1), Appendix VII.)

The annual cost £79 13s., which for 267 days gives the cost of each horse working at 5s. 11¾d., or, say, 6s. per day for each day it is at work.

B. *The Cost of Manual Labour.*

The wages of a team-man required to work and feed the horse are now 42s. 6d. per week, working 54 hours per week.

The annual wages will be as under:—

	£	s.	d.
52 weeks at 42s. 6d.	110	10	0
Extra for harvest	7	10	0
	118	0	0

Usually if the man is not at work he does not receive his wages, so we may calculate that he is working for 313 days in the year, and his wages would average slightly over 7s 6d. per working day.

C. *The Cost of Ploughing with Horses.*

From the foregoing figures the cost of each team of two horses and one man working on the farm is found to be 19s. 6d. per day for each day they are at work.

Having established this fact and knowing what measure of work should be performed each day on different classes of land it is a matter of calculation to arrive at the *cost per acre* of each operation necessary in the production of any particular crop on either light land, mixed soil, or heavy land holdings.

The cost of ploughing is as under:—

Light Land.				Mixed Soil.				Heavy Land.			
Acres worked per day.	No. of horses used.	Men.	Cost per acre.	Acres worked per day.	No. of horses used.	Men.	Cost per acre.	Acres worked per day.	No. of horses used.	Men.	Cost per acre.
1¼	3	1	14/7	1	2	1	19/6	⅔	2	1	29/3

The cost of any other cultivation can be calculated in the same way.

D. *Cost of Ploughing with Tractors.*

Estimated cost of ploughing 1 acre of light land with an "Overtime" 24 h.p. Tractor drawing a 3-furrow Moline self-lift plough.

	s.	d.
Fuel, 2 galls. at 1s. 10d.	3	8
Petrol, 1 qt.	0	8
Lubricating oil, ½ gall.	2	0
Labour	1	6
Repairs and depreciation – plough shares, &c.	7	0
Carting oil, and supervision ...	0	3
	15	1

The above tractor cost £380, and has been working 3 years, and the figures are based on the actual costs of working the tractor.

Most of the repairs have been carried out by the owner, or would have cost considerably more.

The present charges for ploughing done by Government tractors in the district at the present time are—

On light land	20s.	per acre.
„ medium land	22s. 6d.	„
„ heavy land	32s. 6d.	„

It will thus be seen that the difference in cost between horse and Government tractor ploughing is as under:—

	Light land.	Medium land.	Heavy land.
Horse	14s. 7d.	19s. 6d.	29s. 3d.
Government tractor	20s.	22s. 6d.	32s. 6d.

N.B.—It should be borne in mind that with tractor ploughing the field must be first set out with horses, and that corners and head lands have to be afterwards ploughed by horse labour.

From the above it does not appear that the tractor can be worked more economically than horses upon the farm, though the value of getting the work done quickly and at the proper time may often outweigh the extra cost of the tractor.

E. *The Cost of Producing Corn.*

In working out the costs of production, it is well to take as a basis the light land holding, of which there is a very large average in Norfolk, as it is on these farms that the heavy increase in the cost of labour and working expenses is most felt, the extra price received for the corn being insufficient to repay the extra cost.

There are several thousand acres of *very* light land, more especially in the Thetford and Swaffham Unions of the county, which only yield from 12 to 17 bushels per acre of corn, but I have not included land of this nature in working out the following tables of costs.

A report on these lands was issued by a Special Committee on March 29th, 1919.

If artificial manures were applied the cost would be increased accordingly and a profit might or might not be shown on the use of the manure; it depends largely upon the season.

The value of any residue from the farmyard manure left in the land after taking off the crop may be put against the cost of cleaning the land for the next crop.

In working out the above estimate nothing has been charged for interest on capital, and no value allowed for the farmer's own time and skill.

F. *The Average Yield of Corn per Acre.*

Returns have been collected of the actual acreage shown and the number of bushels of corn threshed on holdings of good light land in Norfolk representing about 13,500 acres of corn grown during the last six years and it is found that the averages for light land are:—

	Bushels per Acre.
Wheat	21·42
Oats	26·14
Barley	18·29
Rye	14·03

Working on the returns the cash result of growing one acre of wheat at the present time is found to be as follows:—

G. *Cash Result of Growing One Acre of Wheat on well-farmed Light Land.*

Cost of Production.	Average Yield.	Government Price.	Cash return per acre.
£ s. d.		s. d.	£ s. d.
11 4 4*	21½ bushels of 4½ stone.	9 5½	10 2 11
	Deduct for 5% dross corn.		0 1 0
	Loss per acre ...		1 2 5
£11 4 4			£11 4 4

* For details, *see* Table A (2) in Appendix VII.

The price necessary to repay the cost of cultivation as shown above, without giving the farmer any interest on his capital or profit for himself, is 10s. 5½d. per bushel, or 41s. 11d. per coomb of 18 stone, the Government guaranteed minimum price for this year's crop being 37s. 9d.

	£	s.	d.
21½ bushels at 10s. 5½d.	11	5	3
Deduct for dross corn	0	1	0
	£11	4	3

H. *Cash result of growing one acre of oats on well-farmed light land.*

Cost of Production.	Average yield.	Government Price.	Cash returns per acre.
£ s. d.			£ s. d.
7 18 1†	26 bushels	5s. 11½d., bushel of 3 stone.	7 14 4½
		Deduct 5% for dross corn.	9
			7 13 7½
		Loss per acre ...	4 5½
£7 18 1			£7 18 1

† For details, *see* Table B (2) in Appendix VII.

Showing the cost of production to be 24s. 5d. per coomb of 12 stone, the Government guarantee minimum price for this year's crop being 23s. 9d. per 12 stone.

J. *Cash result of growing one acre of barley on well farmed light land.*

Cost of Production.	Average Yield.	Government Price.	Cash return per acre.
£ s. d.			£ s. d.
8 17 3½*	18¼ bushels.	8/7¼ bushel of 4 stone.	7 17 0
		Deduct 5% for dross corn.	9
			7 16 3
		Loss per acre ...	1 1 0½
£8 17 3½			£8 17 3½

* For details, *see* Table B (3) in Appendix VII.

Showing the cost of production to be 38s. 10d. per coomb of 16 stone, the Government guaranteed minimum price for this year's crop being 34s. 5d. per 16 stone.

No artificials have been charged for in above, as it is considered if used they would increase the yield, though this is not by any means always the result on light land.

It has not been possible to collect corn returns showing the yield over all classes of land in the time allowed for collecting evidence for this enquiry, but the average yields of corn on the different classes of land may be taken approximately as under:—

——	Wheat.	Barley.	Oats.
	Cs.	Cs.	Cs.
Light land	5¼	4½	6½
Mixed land	7	9	11
Heavy land	9	10	12
Fen land	9	10	14

The number of horses required to work the different classes of land per 100 acres is approximately:—

Light land ...	...	2 horses per 100 acres.
Mixed land ...	...	3 ,, ,, ,, ,,
Heavy land ...	...	4 ,, ,, ,, ,,
Fen land ...	...	5 ,, ,, ,, ,,

From this it will be seen that, although the average yields of corn are more on the better class of land, the horse labour is correspondingly increased, and there is considerably more manual labour required.

It is only the shortage of time allowed in which to collect evidence to prepare this Report that compels me to restrict the evidence to the cost of producing the white straw crops of the farm and only on one class of land.

The proposed reduction of hours of labour *in summer* from 54 to 50 hours will increase the cost by rather more than 1-13th.

Horse labour, costing 6s. per day, working a week of 54 hours, costs 8d. per hour.

But when the hours are reduced to 50 the cost will be 8¼d. per hour, equal to 6s. 4½d. per day.

This will increase all the cost of cultivation carried out during the summer by 8 per cent.

(*This concludes the Evidence-in-Chief.*)

The Chairman: I will invite Mr. Lennard to ask you the questions which may occur to him with reference to the statement you have been so kind as to hand in to us.

4690. *Mr. Lennard*: Concerning the Table on the cost of growing an acre of wheat,* I notice you include £3 for farmyard manure as part of your cost?—Yes.

4691. On the credit side of your account in paragraph J. you put nothing down for straw?—The reason I do not put down credit for straw is that the straw is not usually sold; it has to remain on the farm. If a tenant leaves a farm in Norfolk he has to leave the straw, and it is very unusual, excepting near large towns, for a tenant to sell any quantity of straw.

4692. Quite, but am I right in understanding that a good part of your straw would go into the farm-yard manure?—A certain amount of it, but if you had to buy the straw and make the manure of course your manure would cost you considerably more than 5s. a load. The manure value of the farm-yard muck I have taken at 5s., which would hardly include the straw; it would be worth that without the value of the straw.

4693. So that you are practically ignoring the straw?—I have left the straw out in both parts.

4694. *Mr. Parker*: In the fourth paragraph (¶ 4688) you give certain reasons why there has been deterioration in the land. Have you made any estimate of what sum per acre it would take to restore the land to its pre-war fertility?—No, I have not done that. That would be a very large sum, but I have not made any estimate of what it would cost.

4695. What do you mean by very large sum?—The cost of cleaning the land would be very heavy at the present time. The land in Norfolk generally is in a very bad state through the effects of the war shortage of labour, and weeds, and so forth, in the land, and it would cost a large sum to put it back into a proper state of cultivation.

4696. £4 or £5 an acre?—I am not prepared to state a sum at the present time.

4697. In paragraph No. 4 you say: "It does not appear that the tractor can be worked more economically than horses upon the farm." What is the life of one of these tractors—what depreciation is there?—I should say that on an average the tractor will not last longer than six years.

4698. Do you think it would last as many as six years?—That would be the outside—five or six years perhaps.

4699. In your estimate of the cost per acre you bring out £11 4s. 4d. as the cost?—Yes.

4700. In that calculation have you taken account of the full minimum wage at 36s. 6d.?—Yes, plus the wages for the team men

4701. How would that figure be affected if the working hours were reduced from 54 to 50 in the summer months?—That increases the cost of production by 8 per cent. I estimate. I worked out very carefully the cost of the reduction of hours.

4702. Eight per cent. would have to be added to the £11 4s. 4d.?—Not quite all of it, because a small part of these cultivations would be done in the winter. It would be 8 per cent. on the cost of the manual labour and the horse labour because the cost would be correspondingly increased.

4703. Is it 8 per cent. on the cost of manual labour, or 8 per cent. on the total cost per acre?—It would be 8 per cent. on the total cost per acre except for a small part of the time when the work was done in the winter hours, which would not be reduced. It is only proposed to reduce the hours in summer, I take it.

4704. I make out that you get 83s. 10d. a quarter on light land to cover cost of production without allowing anything for interest on capital or farmers' wages and without taking into consideration the reduction of hours from 54 to 50 in the summer time. Is that so?—Yes.

4705. You say: "The price necessary to repay the cost of cultivation as shown above without giving the farmer any interest on his capital or profit for himself is 10s. 5½d. per bushel or 41s. 11d. per coomb of 18 stone, the Government guaranteed minimum price for this year's crop being 37s. 9d." What minimum price do you think should be guaranteed to the farmer in any amendment of the Corn Production Act?—The farmer wants slightly over the cost of production.

4706. That would be 83s. 10d.?—The cost of production on this land is 83s. 10d. In addition to that the farmer is entitled to something for his own time and labour and also something for interest on his capital.

4707. Do you say that any minimum settled by an amendment of the Corn Production Act should be something above 83s. 10d.?—For this present year's crop.

4708. *Mr. Robbins*: Do you regard a guarantee for one year as affording any encouragement to farmers?—None whatever; they want a settled policy for a number of years.

4709. What is your idea of a policy which would be likely to secure the sound economic position of industry?—I am afraid I should not like to offer an opinion upon that; that is a matter for the Royal Commission itself, I take it.

4710. As far as you have considered the matter are you in favour of a guaranteed price for several years?—Not altogether. I do not believe in a guaranteed price, but there must be some form of guarantee—some security for the farmer. At the present time everything is uncertain and unsettled, and he does not know how to lay his plans.

*See Appendix VII., Table A (2).

4711. In principle you object to a guarantee but you do not see how the farmer can be given the security which is absolutely necessary to him to carry on without a guarantee?—I do not think that I ought to give my private opinion upon the matter at all, and I am not instructed to give the opinion of the Chamber as regards matters of policy.

4712. *Mr. Smith*: These figures that you have put before us are purely estimates, are they?—No, they are all founded on fact.

4713. Are these figures on page 3 founded on fact as well—the returns as to the estimated cost of keeping farm horses in Norfolk?—Yes, they are all on returns received from farmers of the actual food given to the horses—returns which have been sent in to me by the farmers.

4714. There is a rather remarkable difference in some of them?—Yes, there is a very remarkable difference.

4715. In one case I see it is put down at as much as £1 19s. 9d. to keep a horse in the stable per week, and in another case it is only £1 1s. It is almost double in one case?—There is a great difference because on some farms it is necessary on account of the condition of the land and the quality of the land to give your horses more corn per week. One man would have to give his horses perhaps on heavy land 6 to 7 stone of corn a week at 2s. 4d. a stone, whereas on a light land farm they might be able to do it on 4½ or 5 stone. During the war I have been able to keep horses on 4½ stones on light land. Then if you take a farmer who is conveniently situated as regards meadows where he can put his horses out he is in a much better position than another man who has to cut everything and bring it to his horses. Again another man will give his horses stover, whereas another gives them straw. I have taken the actual quantities given by the farmers and averaged them out.

4716. Do you really suggest these are actual figures and actual expenditure?—Yes, I suggest that on the average they are as near as you can get it, taking one farm with another.

4717. At one farm the cost of keeping a horse in the stable is almost double what it is in the case of another farm?—Yes, that is so.

4718. What about the grass? In one case it cost 3s. 6d. and in another £1 10s. 0d.?—I put the 3s. 6d. one in because it was sent to me, but I do not believe it can be correct. I do not consider it to be correct. I do not think that anyone can keep a horse at grass for anything like 3s. 6d. a week. I know they cannot. I put it in because I wished to err on the low side if I erred at all. That is the reason. I have taken all the returns exactly as I have received them and averaged them out.

4719. Would you think it is possible for the keep of a horse to be as much at grass as it is in the stable?—It all depends. Some people do not turn them out at all, having nowhere to turn them out. I know one farm where everything has to be taken into the stable all the year round.

4720. These figures either mean that the horses are at grass or that they are not at grass. It states here that they are at grass, and if they are not at grass the figures are misleading in that respect?—It should be perhaps more correctly put as "during the summer." It is usual to turn the horses out to grass in the summer.

4721. With regard to the number of working horses, would you suggest that a farm with 22 working horses would have no grass for the horses?—It all depends; I could not say for certain.

4722. But taking it as a practical thing what would you say?—Not as a rule they would not.

4723. This very case I am putting to you, where they have the largest number of horses, 22, is the case where the cost at grass per week is the highest, £1 10s. 0d., and I suggest to you it would not be a practical thing in that case for them to have no grass?—You are referring to No. 3, Table A (1), Appendix VII., and I know in that case the farmer gives his horses 3 stone of corn in the winter and 3 stone of oats and beans when they are at grass, and 14 stone of hay a week. It is the hay which makes it cost so much. The cost of grazing on the meadow is put at 3s. 6d.

4724. I suggest to you there must be a good deal of grass land going with that farm which I see has an acreage of 1,100, and also with the one above it of 370 acres with 11 working horses. There would be a good bit of grass there also?—Yes, but he probably gives them stover, which a good many farmers do not do in the summer.

4725. Do you suggest that that is a reliable figure?—In that actual case, yes. I have the return here from the farmer in that case. That farmer works his horses 301 days a year, which is over the average. Probably by doing that he finds it necessary to give his horses more corn in the summer.

4726. If the weekly cost in the stable in his case is £1 10s. 3d. and the cost at grass £1 10s. 0d., it seems to me there is no advantage in feeding his horses to grass at all, because there is only 3d. a week difference in the cost. It seems to me there is something rather strange about those figures?—I will be pleased to produce them to you if you would like to have them. I have the returns from the farmer himself.

4727. I do not suggest that you have not the returns. It is the question of how far these figures are based upon fact or upon conjecture?—This man gives his horses the same amount of corn in winter as he does in summer.

4728. Surely with grass a man would not give his horses the same amount of corn as he does without grass?—Yes, some farmers do.

4729. You have not any information, I suppose, as to the financial results of farming during the last four years?—I have them in course of preparation, but I have not had time to complete them yet.

4730. Would it be possible for you to complete them and let us have them?—I can do that at a later date, but the figures for four years would be very misleading because you are taking the four years of the war.

4731. I take it that the particulars of the details would be there and we should be able to judge as to their value?—The particulars would be there, but they would be no criterion at all for the future. As far as I can see the last four years or five years would have no bearing at all upon the profits likely to be made during the coming year, or the present year as far as that goes.

4732. You mentioned in reply to a question by Mr. Parker that there was deterioration in the land?—Undoubtedly.

4733. Do we understand from that that you consider that must be taken as part of the future work and expenses of the next few years?—Yes, certainly. Any estimates as to the cost of production in the future must be based upon the cost of producing those products under what I should call proper conditions, that is to say, the farming in a proper manner and not doing it like we have been doing during the last four or five years in order to get it done quickly, but to do it properly. To do that you must clean your land which is now in a very foul state.

4734. Could you tell us whether the results of the last four years have been very profitable to farmers?—I am not prepared to say at the present time, I have not got the figures ready.

4735. Could you say in a general way whether they have been much more profitable than during the preceding years?—I am not prepared to say. I can bring before you at a later date the actual returns from the farmers themselves. I am collecting the accounts at the present moment.

4736. Would you suggest that some of these profits, if they are larger, have been due to the fact that the land has not been properly worked?—No. If the profits were found to be larger during the past four years it would be entirely due to the conditions of war and to realising stock, a great deal of which was on the farm at the outbreak of war at war prices, as has been done in other businesses—partly that and partly the depreciation in the value of money.

4737. During the war there has, of course, been a shortage of labour. Would not the deterioration in the land be due to the fact that there has not been sufficient labour to work it efficiently?—Certainly.

4738. If there have been abnormal profits is it not right to assume that some of those profits should be looked upon as a reserve fund to be used in the next few years in putting the land back into condition?—I am not prepared to admit that there have been abnormal profits during the past few years. If it is the wish of the Commission I will produce figures at a later date showing the financial results of farming during the last few years. At present I am asked to produce figures showing the cost of production and not the financial results of farming at all.

4739. *The Chairman*: Will you kindly send us the financial results or if you prefer it would you like to come up here again at a later date and explain them to us?—I should be very pleased to do that, but it will take a few weeks to get them in order, and also to get some further returns, as you must have a certain number. It would be very misleading to give you the returns in the case of only four or five farms.

4740. *Mr. Smith*: Will those returns be on actual balance sheets showing expenditure and income?—Certainly. I should not produce anything else.

4741. You are not prepared to express an opinion as to whether there should be a guaranteed price or not?—No.

4742. In your experience in connection with farming, have you formed any opinion as to what might be done to improve the industry and the conditions so as to get better results?—The main point at present is that there must be increased production—there is no doubt whatever about that—and that increased production must come from the labourer. At the present time he does less than he did in the same time before the war. I was only speaking the other day to a gentleman who farms in Norfolk—this is a typical case. He told me that he employs at the present time 16 men and 5 boys to do the same work on his farm to-day as was previously done by 14 men and 3 boys. That is a very serious question. The work a man does to-day in one hour is not so much as he did in one hour before the war; there is no doubt about that.

4743. To make the proper comparison there, everything would have to be equal, would it not?—I do not quite see the point.

4744. If you want to make a comparison between to-day and, say, four or five years ago, all the things to be compared require to be equal if you want to make a proper comparison?—I have made a comparison with the wages, if that is what you are driving at.

4745. Do you consider that the labour to-day is exactly comparable with what it was four or five years ago? Is there any substitute labour being used to-day, for example?—We have got the men back who were there before the war largely; they are mostly the same men now.

4746. Do you think they have been back long enough to allow a proper comparison to be made?—I think so, yes.

4747. Would any of these men you are referring to be returned soldiers who have been wounded?—Not anyone who has been seriously wounded. I am speaking of the general labourers on the farm. Some of them would be returned soldiers, but not men who have been wounded. The men who have been wounded are still unable to work—most of them.

4748. A good many of them would be returned soldiers?—Not a very large percentage.

4749. A great many men went off the farms, did they not?—Yes, but not so many in my district as in others because as it happened there were more of them older men—not so many of them came under the Act, because of their age.

4750. There was a great deal of complaint at the time about the number of men that were being taken from the farms?—Yes, and in my own particular case we lost 20 or 25 of them.

4751. Would you agree that it would be a natural condition arising out of the war that returned men would take a certain amount of time before they settled down again in industry?—No, I do not think so. I cannot give you a reason for it, but it seems to me the higher wages they get the less work they do.

4752. Have you been able to make a comparison to judge that condition under normal conditions?—I think we are under normal conditions at the present time, and have been in the last few months.

4753. Do you think that we are under normal conditions now, so short a period after the conclusion of hostilities?—Yes, I think so at the present time. Previous to the war the men were working 60 hours a week and were being paid 15s. a week, 3d. an hour. The wages have been raised to 36s. 6d. a week and the hours reduced to 54—just over 8d. an hour—which really for the same number of hours as were worked before the war is equal to 40s. 6d. a week. That is an increase in wages of 270 per cent. A man is working to-day six hours a week less than he did before the war. I admit that that partly accounts for the reduced output, but not altogether.

4754. Do you suggest that some of it is due to the reduced number of working hours and some of it to reduced efficiency?—I do.

4755. In your case, if your men were so much over military age, would there not be a natural deterioration in their case owing to the fact that they are growing old?—That would only operate in the case of a few of the oldest.

4756. You say you did not lose many men during the war?—We lost about 20 perhaps.

4757. You say your men were mostly over age, and therefore they would now be reaching an age when you would expect some depreciation?—Yes, but in the men who have come back to us, and who were with us before the war, we do not get the same amount of work out of them.

4758. Do you not think that is due to war strain, which they have not yet recovered from?—It may be due to some extent to the life they have led the last three or four years.

4759. Can you give us any idea of the extent to which the industry may suffer from lack of transport?—I am afraid I cannot just at the moment; it is rather difficult to say. I should not like to express an opinion upon that.

4760. *Mr. Prosser Jones*: What number of men do you say you were employing upon your farm?—Do you mean just the farms I have to manage?

4761. Yes?—We had somewhere about 90 men before the war; I cannot tell you exactly to one or two.

4762. What number have you between 14 and 18 years of age?—I cannot tell you now; I could have told you if I had known you wanted that information—perhaps a little under 20—15 to 20 in number.

4763. In the future these men will be educated under the new Education Act, and they will have to attend for that purpose a certain number of hours every week at school?—Yes.

4764. Will you give us your opinion as to how far that is going to affect the cost of production?—I am afraid I cannot. Will they have to attend during working hours?

4765. Yes, most likely?—How many hours a week?

4766. About eight hours?—I am afraid I cannot answer that question.

4767. This must materially affect the cost of production, must it not?—It will affect the cost of production pretty considerably, but I am not prepared to state to what extent at the present time. That is a matter which wants to be worked out.

4768. Do you agree with me that it is desirable that the agricultural labourer should have every facility for educating himself?—It is desirable to educate every man the highest you possibly can in every business.

4769. Do you think for the time and money expended upon it there would be a good return from them?—I do not know; I am not prepared to say on that point; I rather doubt it.

4770. Do you think we have anything to fear from foreign competition in the future?—I should say probably we have.

4771. From what country do you mean?—I have no definite opinion on that point, but taking it generally I think the probability is that in a few years' time, when the cost of transport is cheaper, we shall get

more corn into this country at a cheaper rate than we can grow it.

4772. The climatic conditions of this country are as good as those in other countries that we have to compete with, are they not?—I should not care to express an opinion upon that point.

4773. Do you know that the rate of wages is higher in this country?—I cannot express any opinion upon any question of foreign policy; I have not gone into that at all.

4774. We are going into the question of what the cost of production will be?—I have estimated what it will cost to produce corn in this country, but what it will cost to produce in foreign countries I have no means of judging.

4775. Assuming wheat can be bought at 60s., and that the 60s. minimum goes up to 65s., would you agree with me in fixing a scale by which the farm labourer should get a weekly proportion of it in his wages?—The old adage used to be that the value of a coomb of wheat was equal to the week's wages of the man. That, in my opinion, would not be unfair, but that at the present time would not be considered sufficient.

4776. With regard to security of tenure, do you think that the tenant farmer would speculate or sink his money in the land, if he had security of tenure?—What do you mean by security of tenure?

4777. A man who had nothing to fear as regards being turned out of his farm?—At the present time most farmers prefer to be tenant farmers rather than owners.

4778. Is that your opinion?—That is a fact, if they have a good landlord.

4779. *Mr. J. M. Henderson*: You have been asked a good many questions about horses, so I will not bother you beyond one point. I see in one case you put down the cost of stabling at £1 19s. 9d. per week?—Yes.

4780. Is not that very excessive?—That is what the farmer informs me he gives his horses—what it costs him on the farm.

4781. You can stable a hack at a livery stable for less than that?—That includes the cost of the corn, and roots, and whatever he gives them—bran, and so on. That is what he actually gives them; that is all I can say.

4782. You say you have been so hurried that it has been impossible for you to produce any accurate or comprehensive figures, etc., and I understand you have promised to give us more details at a later date?—Yes.

4783. I see you say in paragraph B., under "The cost of manual labour": "Usually if the man is not at work he does not receive his wages, so we may calculate that he is working for 313 days in the year," 313 days, surely, is all the days that he could work in the year, unless he worked on Sundays?—He gets paid for every day he works.

4784. He would not be working on the Sundays?—That is taking the 52 Sundays off.

4785. You have worked it out as coming to more money than the 42s. 6d., so that your figures are a little bit hasty?—He is paid for every day he is at work.

4786. You say: "Usually if the man is not at work he does not receive his wages, so we may calculate that he is working for 313 days." That means that he is working every day in the year, and you put it at 7s. 6d. a day?—It comes out at £118 a year.

4787. How many days in the year does he work?—I could not say, but if he does not work he does not get his 7s. 6d.

4788. No labourer works every working day in the year, does he?—No.

4789. Then how does he work for 313 days in the year? If he does not work on one day does he make it up on another day?—No. He gets paid for the time he does work.

4790. Supposing on Monday and Tuesday the weather is so bad that he is unable to do any work at all. What happens then?—Then he gets paid for the four days on which he does work.

4791. Out of the 313 days, how many days do you think the man cannot work?—It all depends upon the state of the man's health.

4792. I am speaking from the climatic point of view?—We have to find the men work on wet days, and they hang round the farm very often doing work which does not pay, and also in the winter cleaning up harness and other things which really do not count.

4793. When the weather is so bad that a man cannot work, you find a job for him somewhere or other on the farm?—If possible. It is nearly always done. If it is a wet day we find him a job inside cleaning harness, dressing corn and putting corn up for market.

4794. Chopping sticks?—No, he would not do that.

4795. You say you have formed no opinion upon what should be, if any, the minimum guarantee under the Corn Production Act?—I am not ready to give that opinion.

4796. What has been the average price of wheat that you have been receiving during the last few years?—I am afraid I have not got that.

4797. *Mr. Green*: You are the agent for 5,000 acres, are you not?—Yes.

4798. Will the balance sheets you propose to present to us be the balance sheets of your home farm or of the home farm and of tenant farmers?—I propose to produce the balance sheets from a large number of tenant farmers in the county of Norfolk. I am also prepared, if it is thought desirable, to put in accounts of the Riddlesworth Estate for the last 19 years. We have had four farms most of the time in hand, and the accounts in each case have been kept separately just as if the farms had belonged to different owners.

4799. Would they be of home farms or of tenant farmers?—Mostly of tenant farmers.

4800. And one home farm?—Yes.

4801. What is the size of the home farm?—The size of the home farm where I live is about 800 acres.

4802. With regard to paragraph F. of your evidence, do I understand you have a kind of roving commission over 13,000 acres?—No, that is on actual returns from the farmers of the actual corn grown and the number of acres sown.

4803. Why are these returns sent to you?—Because I sent out a large number of forms and asked the farmers to send them back to me so as to get reliable information for the Commission on behalf of the two bodies who appointed me as their local Secretary—the Norfolk Chamber of Agriculture and the Farmers' Federation.

4804. How is this yield of wheat of 21·42 bushels per acre so extraordinarily below the average yield of the country, do you know? Is this very poor land?—No, this is not the very poor land; the very poor land shows a considerably lower average than that.

4805. Surely the land of Norfolk is noted for its wheat-growing qualities?—Yes, on the better lands, but there is a very large quantity of land in Norfolk which does not show a better average than 21 bushels, taking the last six years' average. I admit it surprised me at first.

4806. Are you quite sure it is correct?—Yes, I have the figures from the individual farmers.

4807. It is good light land, is it?—Yes, and well farmed. I am not including very poor light land which only grows two or three coombs of wheat to the acre; I have left those out.

4808. You say before the war you employed 90 men on the 5,000 acres?—Yes; it might have been a few more, or it might have been a few less.

4809. How many men do you employ now?—Probably about 70.

4810. The 70 men have to do the same amount of work now as the 90 men did before the war?—No, not quite, because the work is somewhat differently arranged, and we have given up two large farms since the war; we have let two farms.

4811. The last Witness we had told us that he is working a farm of 700 acres with about half the number of men he employed before the war, and yet the fertility of that farm had increased?—I am surprised to hear it; he must have had better men than we have got.

4812. He was complaining about his men. With reference to what Mr. J. M. Henderson just asked you as to the employment of labour on wet days, do you not think that it would be more economical to work large farms than to work small farms, because of the use you could make of your labour on wet days?—Undoubtedly.

4813. In cleaning up the machinery, and in the fact that there would be more barn work to do?—Yes, I agree it is more expensive to work a small farm than a large one.

4814. And so far as wet days are concerned, there would be more employment for the men?—Yes, on a large farm employment could be found for them, whereas on a small farm they would be told there was no work for them to do, and they could go home.

4815. *Mr. Cautley*: You have light land, mixed land, heavy land, and fen land in Norfolk?—Yes, that is right.

4816. You have only presented your accounts for the light land?—That is so.

4817. May we have the same sort of accounts for these other three kinds of land when you come again?—I do not know that I shall have time to prepare them.

4818. Then I hope you will postpone your visit until you can do so?—It is a very big job.

4819. Yes, but you are appointed by the Chamber of Commerce and the Farmers' Federation to put evidence before us, and you seem to me to be the most likely person to get this information for us?—If you would like to have it I will get it for you.

4820. Yes?—I could have got it for you if I had had time. I have left out land which only produces two or three coombs to the acre, because in my opinion I considered it was not fair to bring that forward, as it seems to me that land of that description must of necessity go out of cultivation at the present rate of wages.

4821. It would be very interesting if we could get the cost of growing wheat on the other lands so that we might know roughly what proportions are on the different kinds of land in Norfolk?—That is going to be produced by another body from the County.

4822. If we are going to have it from somebody else we do not want it twice over. Perhaps you will communicate with the other body with regard to it. The only thing we want is the information, and that it shall be authentic when we get it?—Yes, I will try and do that.

4823. The only comparisons you have drawn as to prices are between the 1914 prices and present day prices; you have given us no figures for the intervening period?—That I am not prepared to state offhand; I will get that for you by next time.

4824. I understood you to say with regard to the percentage rise up to date that the wages before the war were 15s. for 60 hours' work?—It was something like that.

4825. And that they are now 36s. 6d. for 54 hours' work?—Yes.

4826. What is the overtime rate?—10d. an hour on week-days and 1s. on Sundays.

4827. So that that makes 41s. 6d. if the full number of hours are worked—60 hours—as compared with 36s. 6d.?—Yes, if you make it up to 60 hours.

4828. You must take the extra 6 hours at the present rate you have to pay to draw the comparison, so that it is now 60 hours at 41s. 6d. as against 60 hours pre-war at 15s.?—Yes.

4829. I have some questions I wish to ask you on your figures, but I will reserve them for a future occasion when we see you again?—Very good.

4830. *Mr. Dallas*: I just want to elucidate the point about the decrease in the efficiency of labour. Like the rest of us, you read the papers, and I think you will agree that that is a complaint which is applied to all the industries of this and other countries that there is a decrease at the moment in efficiency of labour?—I think that is so, but I am not prepared to speak with regard to any other industry.

4831. Quite so. I only want to point out to you that it may be an abnormal thing arising out of all the abnormalities which have sprung from the war?—I cannot say what the cause is, but the effect is the man has less energy now than he had before the war; he does not do the same amount of work as he used to do.

4832. We have all had a trying time, and particularly you in Norfolk, with your Zepp. raids, and air raids, and your relatives at the war, and all the other anxieties which arose during the war. All these things are bound to have affected persons' mental condition, and that must be reflected, must it not, more or less, in the efficiency of their labour?—On my own farms we used to pay 3s. an acre for chopping out turnips. I offered the men 2½ times the money to do it by piecework, but they refused to do it by piecework. They said they could not earn sufficient money at it. Consequently they did it by day work, and instead of costing us 2½ times as much, the cost was 9s. 4½d. an acre—over 300 per cent. increase on the labour. I think that points to the fact that you are not getting the labour out of the men that you used to do, and these men I am speaking of are very good men, some of the best of our men. All the estimates with regard to labour are thrown out of proportion because you do not get the same proportion of work from the men that you used to get in the same amount of time.

4833. I want to try to show that that is an abnormal thing arising from the abnormal conditions under which we have all laboured recently?—I cannot tell you the reason for it; all I know is that the fact exists.

4834. Do you think it is an increasing quantity, or is it decreasing? Take the period of the war, and the period that has elasped since the war. Is it getting better, or getting worse?—I think it has been getting worse up to the present time.

4835. You are not looking forward to it being worse in the days to come, are you?—I cannot say what will happen in the future, but I know it is a very serious matter at present.

4836. You may not be aware of it, but it is the fact that in the past in the case of all industries increases in wages, after a certain period, have led ultimately to higher efficiency?—All I can say at present is that the continued increase of wages on the farm has led to a decrease in efficiency.

4837. You do not suggest that if you were to decrease their wages you would increase the efficiency?—No, I do not suggest that.

4838. You do not suggest that as a remedy?—No, I would not suggest that, but I suggest that this point as regards the decrease in efficiency of the labour requires attention.

4839. Apart from guarantees, is there anything you could suggest to the Commission that you think might be done by the country generally for the improvement of agriculture?—I think I said before I was not prepared to suggest what should be done to rectify the present state of things. It is not for me to suggest it; I am not prepared to suggest it.

4840. Of course, the Commission have to look to the future of agriculture—we are all concerned about the future of agriculture—and we want to get from men like you, with your practical experience and wide range of knowledge, if you can tell us anything that we, in turn, can suggest to the Government, which would be for the welfare of the industry?—I do not suggest a remedy. The only thing I suggest is that the farmer must have a slight increase over the cost of production for his products to pay for his own time and labour and a percentage of interest on his capital, which he is entitled to, like any other industry.

4841. Of course, nobody would quarrel with that?—That is all I suggest, but how to do it I cannot tell you; I am not competent to say.

4842. *Mr. Ashby*: I think you said just now that wages in 1914 were 15s. a week, and that now they are 36s. 6d. a week?—Yes.

4843. Are you comparing in each case the same class of man?—Yes, I think so.

4844. A horse-man in each case?—No, a horse-man gets 42s. 6d. to-day, not 36s. 6d.

4845. You are comparing in each case the ordinary labourer?—Yes.

4846. Would you turn to the second page of your evidence, where you give the cost of keeping a horse? Am I right in assuming that all the prices in this calculation of the cost of horse food are market prices?—Yes; the value that food would be to the man if he sold it, and did not give it to his horse.

4847. This includes oats, and beans, and other things?—Yes, oats and beans chiefly—and maize.

4848. All the prices are market prices?—Yes, they are based upon market prices.

4849. How do you arrive at the market price of roots?—I should not say roots at market prices—I am sorry.

4850. Could you give us any indication as to how much is roots and how much is bran in the fourth item?—I am afraid I cannot, because some farmers in their returns gave them together.

4851. Taking the fourth item in the column on the right hand, have you any idea how much is grass and how much is lucerne?—No, I could not tell you that.

4852. How much land would you consider was sufficient to summer a horse for 19 weeks, bearing in mind the amount of corn, and straw, and roots, and bran, &c., he is getting?—It depends entirely upon the weather. In this present summer, for example, we have had a very long drought, and the pasturage which would have kept 10 or a dozen horses in the ordinary way has not been sufficient for more than half that number.

4853. What would be about the rent of this pasture land—The rent would vary considerably in some parts of Norfolk.

4854. That would be the rent of this light pasture land?—£1 an acre, or perhaps £1 10s.

4855. If in some cases that 4s. 3d. for grazing represented all grass a horse would be grazing about four acres of land for 19 weeks?—Yes.

4856. Is not that somewhat excessive?—No, I think not, because the land would be very little used any other part of the year.

4857. Would one horse consume all the grass grown on four acres of land in 19 weeks?—On that light land.

4858. Are you sure about that?—Yes, I should say so. These pastures very often get dried up in the summer, and then the farmer has to cart clover and lucerne to the horse.

4859. What amount of straw would the horse be getting?—That is hay and straw mixed, and chaff.

4860. It includes the cost of cutting?—Yes, they give him chaff when he is at work.

4861. Do you consider he would consume all this quantity of hay and corn and oats and roots when at grass in 19 weeks?—He does not get it when he is at grass. When he is at grass he only gets about 3 stone usually.

4862. Can you tell me the price of these roots?—About 3d. a stone.

4863. Two shillings a cwt.?—Yes, 40s. a ton.

4864. How many tons of roots could you grow on this light land?—I cannot tell you; I have not gone into that at present.

4865–6. So that you are not at all sure about the cost of horse labour?—I am sure in this way, that these returns have been received from the farmers, and that as near as they can do it they have put it at what it has cost them. They have put it down very low in some cases. It is considerably lower than what they actually give them. I am quite sure the prices have been put down on the low side. In some cases they give their horses 4 to 5 stone of roots a week.

4867. The whole of your calculations rest, as far as horse labour is concerned, on this estimate here?—Yes, it is based upon actual returns received from the farmers themselves.

4868. It is quite possible that the actual cost of horse food is much less than is shown here, even on an average?—It is more likely to be more, I should think.

4869. Would you look at the table on the next page, setting out the cost of keeping farm horses in Norfolk? You remember some questions put by Mr. Smith to you as to the high cost in the case of No. 4?—Yes.

4870. If you look at the figures on the right hand of the page you will see they are carrying nearly 4½ horses per 100 acres?—Yes.

4871. In some cases—take No. 5 for instance, where the weekly cost of the horse in the stable is £1 1s. 4d.—they are only carrying two horses to the 100 acres?—The reason for that is that No. 4 refers to fen land, which requires a larger number of horses to work than the other land. The cost of feeding the farm horse is based on returns received from farmers of all classes of land in order to get the average cost of a working horse.

4872. You said, in answer to Mr. Smith, that the cost of keeping a horse might vary to some extent according to the nature of the land—that a horse on heavier land would be doing heavier work, and would therefore require better feeding?—I have shown that in these returns.

4873. That being so, you have averaged the cost of the keep of the horse on heavy land together with the keep of the horse on light land?—I have taken the average for all classes of land, and taken the cost of the keep of the horses on that land.

4874. You have taken the average cost of the keep of the working horses on lands of all types, and have applied that average cost to the cost of cultivation on very light lands?—Not on very light lands—on light lands.

4875. Land with a yield of 21 bushels an acre, or something of that sort?—Yes.

4876. You have taken in all these cases a certain amount of depreciation in the horses. Is it at all possible that some of the horses which appear in this table—as, for instance, in No. 4—are not entirely working horses, but may be brood mares that are producing foals?—Of course, a good many farmers breed a foal.

4877. Would the cost of keeping those horses appear in the average statement here?—No, because when a horse is turned out she ceases to receive the corn and chaff, and stover, if she has a foal.

4878. On page 4 you give the cost of ploughing with tractors, and you estimate half a gallon of lubricating oil for the tractor to the acre. Do you consider that a tractor would actually use half a gallon of lubricating oil per acre?—That is the actual return received from a farmer who works a tractor very often and works light land. It is based on the cost over the last three years to that farmer.

4879. *Mr. Overman*: This 5,000 acres on the Riddlesworth estate is only a portion of the estate which you farm yourself, is it not?—I do not farm the whole of the 5,000 acres; 5,000 acres is the whole estate. Until quite recently we farmed 3,000 acres, but last Michaelmas we let a large farm, and at the present time I am farming just over 2,000 acres.

4880. What proportion of that have you got under the plough now?—About 1,500.

4881. Of course, there is some which is down to temporary grass?—The 1,500 acres include the temporary grass.

4882. The 1,500 includes the yearly seeds?—Yes.

4883. When the Board of Agriculture asked for 62 per cent. of the existing arable land in Norfolk to be put in with cereals it was rather a disastrous thing for these light lands, was it not?—In our particular district it was a very disastrous thing.

4884. What percentage did you get yourself at that time?—We had got that practically at the time, and we had to break up very little extra land.

4885. Did you get your 62 per cent.?—Not quite; we broke some of the Heath land up.

4886. I would like to clear up, if we can, this question of the cost of keeping horses. Could you help me by indicating what farm No. 3 represents?—That is Mr. Fred Allen, of Swaffham.

4887. I know his farm, and I understood his land was nearly all arable?—There are 100 acres of pasture and 1,000 acres of arable.

4888. In all probability, in that case Mr. Allen had to give his horses pretty well the same ration of corn throughout the summer as he had to do in the winter?—He does, as I said; he gives them the same quantity of corn in the summer; that explains the high cost during the summer.

4889. With regard to No. 7, can you tell us whose farm that is?—That farm belongs to Mr. Alfred Wells, of East Ruston.

4890. You have got down the average number of working days as 267 in Table A?—Yes.

4891. It is only on light land that you can get that average?—Yes; on the heavy land you would not get such a high average as that.

4892. Of course all these figures are in respect of light land. The whole of the ten concrete cases which you give us in Table A are as regards light land?—Yes; I have taken the light land as the basis.

4893. I think your figures are fairly accurate, except those in regard to the cost of growing one acre of wheat. I do not think you could thresh and deliver to market at 12s. 6d. an acre. Is that actual cost or only an estimate?—That is taken on the actual cost as near as I can estimate it in my particular case.

4894. You grow very light crops, do you not?—It is taken on the average return of five coombs to the acre—that is 7s. 6d. an acre for threshing and 5s. for delivery.

4895. For how many years do you think you will be able to bring up the balance-sheets for Riddlesworth?—I can give you 19 years.

4896. I think it is very necessary that we should have them, and we should like to have pre-war years as well as the years during the war?—If you think it desirable.

4897. Yes, we must have them; and when you bring them up will you detail them as much as you can in the accounts—do you know what I mean?—Yes, and I know what it involves.

4898. I know it means an extra amount of work for you, but it will be very helpful to the Commission if you can supply us with it. You say they are in the hands of some official or other who is undertaking the work, and if things are lumped together it is very difficult for us to arrive at any conclusion from them?—I have kept these accounts myself for the last 20 years. I have always balanced them up myself and had them audited, and I can bring you the balance-sheets.

The Chairman: Would you wish them for 19 years?

Mr. Overman: No, I do not think so. I think if we could have them for the last ten years that will be sufficient.

The Chairman: For the last ten years ending at 1918?

Mr. Overman: Yes.

The Witness: Do you mean for the whole of the county?

4899. *Mr. Overman*: No, for your own estate?—I can get those for you within a fortnight.

4900. Can you give us the whole of your accounts for the last ten years up to Michaelmas, 1918?—Yes, I will do that, but may I say that I would rather come here and explain them to you, if you have no objection? There may be some matters that require explanation, and I would prefer to be here to explain them.

Chairman: Certainly you shall come, if you desire to do so.

Witness: There is just this other thing also: I am not sure that I am allowed to make these accounts public to the Press.

Chairman: There is no Press here.

Witness: I have not got Mr. Champion's permission to make them public. He allows me to use them, and I am quite prepared to bring them here for the use of the Commission, but I have not got his permission to make them public in any way.

Chairman: We will undertake not to make them public. All we shall do is to pass them on to the Government. What they will do with them, of course, I cannot say.

4901. *Mr. Anker Simmons*: There is a very wide difference between the best and the worst land of Norfolk, is there not?—Yes, a very great difference.

4902. The worst is to be found round Thetford and the best, we may take it, round Wisbech?—I do not know where you find the best, but I know where you can find the worst.

4903. What I want to get is something like the average cost of production of wheat. These figures which you have given us, I take it, cover a very large area?—Yes, some hundreds of thousands of acres in Norfolk.

4904. It is very essential that we should have from men like yourself, whose evidence I look upon as most valuable, the average cost of production over as wide an area as we can get it in any one district?—Certainly.

4905. I do not understand how you estimate your cost of threshing at 7s. 6d. an acre? What would be your return there?—I take it on the five-coomb average.

4906. That is five sacks?—Yes.

4907. Is that threshing done by your own tackle?—No, I pay 1s. 6d. a coomb for threshing; it used to be 1s. 3d., but it is 1s. 6d. now.

4908. The average cost of horse keep, notwithstanding all the variation there is, comes out very much at the amount you find it is in any county—about 6s a day per horse?—Yes, in all districts, as near as you can get it.

4909. It is very close, but there is an extraordinary amount of variation?—Yes, there is extraordinarily large variation.

4910. In attempting to arrive at anything like an average cost of wheat production, it would of necessity involve an allowance of too high a price, perhaps, in the case of the worst land and too low a price in the case of the best?—Possibly.

4911. Although the ultimate return to some extent balanced things?—I have not got the actual figures, but I should imagine from what I know that the increased return from the better land would more or less equalise the greater cost of production over the land which is not so good. That is what I consider will be the result of the figures when I get them out and average them.

4912. What we particularly want to get at is something like a fair cost of production of the various crops that we have to consider, and I am anxious that you should have that in your mind?—Yes, I appreciate that.

4913. *Mr. Rea*: With regard to your table showing the cost of keeping a horse, I see you have put the depreciation at 4s. a week?—Yes.

4914. Have you averaged that over the whole of the horses?—Yes.

4915. You would not commence to depreciate the young horse. You would begin to depreciate them only when they were about seven years old, would you not?—I take the life of a horse as ten years, and, putting the average value of a farm horse at £100, if you depreciate at the rate of £10 a year you will not be far out.

4916. Starting with a four-year-old and going on to 14 years?—Yes.

4917. Have you any experience with regard to the life of a tractor?—No.

4918. The figures you give with regard to ploughing with tractors are based on the cost of working over a period of three years?—Yes. Those are the figures which have been given me by the tenant farmer in Norfolk who used it.

4919. Do you know how he works out his depreciation?—He puts the life of the tractor at between four and five years, as near as he can get it.

4920. In that case you have to write down a very considerable sum each year?—Yes. In the first two years you would want very few repairs, but after that time you want considerably more. This man particularly told me that he had done most of the repairs himself. If this were not the case the cost of repairs and depreciation would be considerably higher.

4921. You would want to write it down altogether in four years at the outside?—Yes, I think that is about right. I have shown you the present Government price for ploughing, which, I think, shows that, compared with the cost of horse labour, you cannot do it cheaper with a tractor, taking one year with another. The advantage of the tractor is that you are able to get your work done at the right time, and

can push forward just at the proper part of the year. That might counteract the increased cost of the tractor. That is how I look at it, although I do not consider that it will actually cheapen the cost of production.

4922. With regard to the cost of ploughing with horses on light land, which you put at 14s. 7d. for 1¼ acres per day with three horses, that, I suppose, is double furrow ploughing?—Yes. In some places they say they plough more, but I do not think they do, if you take into account the time they lose.

4923. I should think it is a pretty fair average myself?—Yes, they ought to do that.

4924. To go to your next class, mixed soil, one acre per day with two horses, that works out at 19s. 6d. an acre?—Yes; they ought to plough an acre a day on mixed soil.

4925. Do you think they plough as much as that?—They should do.

4926. That again seems very high nowadays. With regard to your corn returns, is this statement over a large number of farms in addition to your own?—Yes, they are in respect of nine other farms; there is only one of our own.

4927. The results seem to vary so. In No. 1 you have 32·88 bushels of wheat and only 33 bushels of oats?—Those are the actual returns in regard to No. 1 of the actual number of acres sown and the amount threshed. In that particular case every sack was weighed up at the engine at the market weights.

4928. If it is a farm that varies a good deal in quality, you naturally expect to have a bigger yield of oats than of wheat?—Yes, you would, perhaps, although wheat is always sown on the best land and under the best conditions. In that case wheat is almost invariably sown after sainfoin and if you put your oats there you would get a higher return of oats.

4929. That is what I wanted to get at. The conditions are better in that case?—Yes, wheat is always sown under the best conditions.

4930. What about the barley?—That is an average of 703 acres in six years. In that case, also, every sack was weighed up at the engine at 16 stone.

4931. What is the rotation which is commonly followed?—Four-course: clover, wheat, roots, and then barley.

4932. Where do the oats come in?—The oats come in instead of wheat every alternate fourth year. As a rule every fourth year we put either clover or sainfoin. Then we put mixed layer and after the mixed layer oats or rye.

4933. Does not that seem a very small yield under that treatment?—It is a small yield, but the fact is that almost invariably there is a drought at some part of the year which affects these light lands. The crop may look very promising indeed in the early part of the season, and then you get three or four weeks without any rain and it keeps getting less and less promising every day. These are absolutely accurate figures.

4934. Of course, you grow the finest quality of barley in Norfolk?—We used to, but since the war we have not done, because of the shortage of labour and other things. You cannot get a good crop of barley without a tremendous lot of trouble if you get a wet season.

4935. We take it that these are well managed farms, and yet the cereal crops in each instance show a loss according to these returns?—They do on the minimum guaranteed price of corn.

4936. How do the farmers carry on? What do they make their profit on? Of course, they have made more than the minimum guaranteed price recently, and perhaps they have made a profit on sheep and cattle. I think that the profits have been more on the sheep or stock than on the corn, really.

4937. You are taking the present cost of labour, the minimum of which is fixed, and the minimum price for corn, which is not the market price?—Yes.

4938. So that if the market price is more, this loss will be wiped out?—I do not know that it is likely to be more. That is a thing I am not able to say. I am just pointing out that at the present price guaranteed by the Government corn cannot be grown at a profit.

4939. If the prices of cereals are not in excess of the guaranteed minimum, there will be a loss all round this year?—That is so.

4940. *Dr. Douglas*: I just want to put one or two questions to you on pages 9 and 10 with regard to your cost of growing one acre of oats on light land in Norfolk. Are all these operations usually carried out? I think you said that this oat crop comes in after a mixed layer—that is to say, mixed grass and clover seed?—Yes.

4941. That is after one year's lay, is it?—As a rule.

4942. Are all these operations usually carried out?—They should be.

4943. The harrowing, for example, before sowing?—That is nearly always necessary.

4944. You show a financial result on that, which means that under present conditions it would be impossible to grow oats unless you were sure of getting 6s. 1d. per bushel?—Yes.

4945. Was this class of land producing oats before the war?—Certainly.

4946. At a profit?—I am not able to say; I have not gone into the figures before the war.

4947. Would you suppose there could be a profit, comparing present conditions and prices with those obtaining before the war?—I should think it quite likely, because the cost of labour alone has gone up 270 per cent., whereas the cost of the oats has not gone up in anything like that proportion.

4948. Is 26 bushels a typical yield for Norfolk land under oats?—That is the average for the ten farms.

4949. You do not, of course, suggest that it is possible that there should be a guaranteed price of nearly 49s. a quarter for oats in the future?—All I suggest, and all I ask, is that the farmers should receive a sufficient price for their produce to pay a little bit over the cost of production.

4950. According to your figures, that would be 49s. a quarter?—Whatever it costs a man to produce, he should receive a little bit over. If we can make sure that it costs him that amount of money to produce, he is entitled to receive something over. If a manufacturer manufactures an article he knows what it has cost him, and he adds a little bit on for his own profit.

4951. As a matter of administration, you recognise that it would be impossible to give you 49s. a quarter for oats grown in Norfolk unless 49s. a quarter were also given for oats grown in some other part of the country where they can produce oats at 10 quarters to the acre?—Well, if it does not pay to grow oats in Norfolk, oats will cease to be grown.

4952. You think that unless the guarantee is given, a certain quantity of land will cease to grow corn in Norfolk?—Yes; they will probably grow something else; they might grow rye, but that all depends upon the price of rye.

4953. Assume that rye and oats maintain their present prices?—I think it is doubtful whether the present price of rye will be maintained.

4954. They are in about the same position to each other, are they not?—Rye is worth more than oats, but you do not get the yield.

4955. The price per acre for the two would be in the same relation now as they were before the war, would they not?—I am not prepared to state that; I have not got the figures.

4956. That is your conclusion, that unless a guaranteed price can be got amounting to 49s. a quarter, this land will go out of cultivation as far as oats are concerned?—Yes, a farmer will not attempt to grow a crop unless he can be assured that he will get something over what it is going to cost him to produce—like any other manufacturer.

4957. *Chairman*: Will it be convenient for you to get these balance sheets which you have promised to produce to us and come up here again on the 2nd September?—Yes, I can manage that, I think.

4958. If we could have the balance sheets a little in advance it would be a great convenience, as the members of the Commission would then be able to prepare the questions they may wish to ask you with regard to them?—Certainly, I will try to do that.

4959. If you will be so kind as to send us those balance sheets as soon as you reasonably can, we should be much obliged to you?—I will. With reference to the question that was asked me with regard to oats, I should like to remark that when I said a farmer would not continue to grow oats and that oats would go out of cultivation unless a farmer were assured of a reasonable return, he would, of course, continue to grow oats for his own horses, but not for sale.

(The Witness withdrew.)

ROYAL COMMISSION ON AGRICULTURE.

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The main statistics collected by the Board of Agriculture for which SIR HENRY REW is officially responsible are (1) Annual Returns of Acreage of Crops and Number of Live Stock since 1866; (2) Annual Returns of Produce of Certain Crops since 1884; (3) Weekly Returns of Prices of Corn under Corn Returns Act, 1882; (4) Weekly Returns of Prices of Agricultural Products since 1904; and (5) Report on the Agricultural Output of Great Britain in 1908.

APPENDIX No. 1.

Handed in by SIR HENRY REW, K.C.B., in connection with his evidence given on August 6th, 1919.

TABLE I.—AVERAGE PRICES OF FARM PRODUCTS. (*See* footnote.)

	June, 1913, to May, 1914.	June, 1918, to May, 1919.
LIVE STOCK.		
Fat Cattle, price per stone (14 lbs.)	£ s. d. 0 8 2	£ s. d. 0 17 5
2nd quality, Shorthorn, Index No.	100	213
Store Cattle, price per head	11 17 0	18 8 0
Mean of 2nd quality Shorthorn yearlings and two-year-olds, Index No.	100	155
Fat Sheep, price per lb.	0 0 8½	0 1 4½
Mean of 2nd quality Downs and Crossbreds, Index No.	100	194
Fat Pigs, price per stone (14 lbs.)	0 8 1	0 19 7
Mean of 2nd quality Bacons and Porkers, Index No.	100	242
CORN AND PULSE.		
Wheat, price per qr. (480 lbs.)	1 11 9	3 13 0
Gazette average, Index No.	100	230
Barley, price per qr. (400 lbs.)	1 6 7	3 1 1
Gazette average, Index No.	100	230
Oats, price per qr. (312 lbs.)	0 18 8	2 9 2
Gazette average, Index No.	100	263
Beans, price per 532 lbs.	1 14 5	7 14 4
Winter Beans, Index No.	100	448
Peas, price per 504 lbs.	1 16 9	7 19 10
English Maples, Index No.	100	435
Beans and Peas (General), Index No.	100	441
Potatoes, price per ton	3 4 0	7 18 0
2nd quality Up-to-dates, Index No.	100	247
VEGETABLES.		
Brussels Sprouts, price per cwt.	0 11 6	1 4 0
2nd quality, Index No.	100	209
Cabbages, price per doz.	0 0 10	0 2 1
2nd quality, Index No.	100	250
Cauliflowers, price per doz.	0 1 7	0 3 5
2nd quality, Index No.	100	216
Carrots, price per cwt.	0 3 6	0 8 3
2nd quality, Index No.	100	236
Celery, price per bun.	0 0 11	0 2 8
2nd quality, Index No.	100	291
Onions, price per cwt.	0 6 8	1 6 0
2nd quality, Index No.	100	390
Vegetables, General Index No.	100	265
FRUIT.		
Apples, price per cwt.	0 10 6	4 4 0
Average of 2nd quality, other cooking and other dessert, Index No.	100	800
Pears, price per cwt.	0 16 6	3 11 0*
Average of 2nd quality Hessle, Index No.	100	430
Plums, price per cwt.	0 13 6	5 8 6
Average of 2nd quality Orlean Egg and Victorias, Index No.	100	804
Cherries, price per cwt.	2 0 0	9 3 6
Average of 2nd quality, Index No.	100	459
Black Currants, price per cwt.	1 12 6	3 4 0
Average of 2nd quality, Index No.	100	197
Red Currants, price per cwt.	0 19 6	1 15 6
Average of 2nd quality, Index No.	100	182
Gooseberries, price per cwt.	0 13 6	1 10 0
Average of 2nd quality, Index No.	100	222
Raspberries, price per lb.	0 0 4¼	0 0 5
Average of 2nd quality, Index No.	100	105

* "Common varieties" taken in the absence of Hessle.

NOTE.—The figures for the 4 intervening years June, 1914—May, 1918, are printed on pages 46—48 of the Agricultural Wages Board Committee Report (Cd. 76) 1919.

	June, 1913, to May, 1914.	June, 1918, to May, 1919.
FRUIT—*continued.*		
	£ s. d.	£ s. d.
Strawberries, price per lb.	0 0 3½	0 0 10½
Average of 2nd quality, Index No.	100	315
Fruit, General Index No.	100	390
Milk, price per gallon	0 0 9	0 1 11½
Average of contract prices, Index No.	100	264
Butter, price per 12 lbs.	0 13 5	1 8 5
2nd quality British, Index No.	100	212
Cheese, price per cwt.	3 14 0	9 2 6*
2nd quality Cheddar, Index No.	100	247
2nd quality Cheshire, at Cheshire Cheese Fairs, price per 120 lbs.	3 3 0	9 13 6*
Index No.	100	307
Cheese Index No.	100	277
Eggs, price per 120	0 12 0	2 3 1
2nd quality British, Index No.	100	359
Eggs and Poultry, General Index No.	100	—
Wool, price per lb.	0 1 0½	0 1 8½
Average price at country wool sales, Index No.	100	157
Hops, price per cwt.	9 3 0	16 10 0
Average price at London Borough Market from September to November, Index No.	100	180
Hay, price per ton	3 9 6	8 16 6
Mean of 2nd quality Meadow and Clover, Index No.	100	254
Straw, price per ton	2 2 0	5 0 6
Mean of 2nd quality Wheat and Oat, Index No.	100	239

* Prices realised by farmers under British Cheese Order.

Relative value attached to the various items in the above table.

Cattle	25	Fruit	4
Sheep	13	Milk	21
Pigs	13	Butter	3
Wheat	8	Cheese	1
Barley	6	Eggs and Poultry	4
Oats	2	Wool	3
Beans and Peas	1	Hops	1
Potatoes	6	Hay	11
Vegetables	1	Straw	2

II.—AVERAGE PRICES OF FEEDING STUFFS. (*See* footnote on page 3.)

A.—MILLING OFFALS.

	June, 1913, to May, 1914.	June, 1918, to May, 1919.
AT LONDON.		
	s. d.	s. d.
Bran, price per ton	96 0	259 4
Index No.	100	270
Broad Bran, price per ton	102 5	259 4
Index No.	100	253
Middlings, price per ton	126 6	265 7
Index No.	100	210
Pollards, price per ton	100 1	—
Index No.	100	—
Rice Meal, price per ton	88 11	340 0†
Index No.	100	382
Maize Meal, price per ton	140 5	—
Index No.	100	—
Barley Meal, price per 336 lbs.	20 10	—
Index No.	100	—

† Controlled price.

B.—FEEDING CAKE.

	s. d.	s. d.
London-made Linseed Cake, price per ton	151 9	380 0
Index No.	100	250
Egyptian Cotton-Seed Cake at London, price per ton	108 1	300 0
Index No.	100	278
Palm-Kernel Cake at Liverpool, price per ton	—	275 8
Index No.	—	—

The Cattle Feeding Stuffs (Maximum Prices) Order, 1918, controlled the prices, from the 8th February, 1918, of Flour Millers' Offals of all kinds at £13 per ton; Canadian and Egyptian Rice Meals at £17, Rangoon Rice Meal at £16 10*s.*, and Italian Rice Meal at £14, Soya Cake at £19; Undecorticated Ground Nut Cake at £17 5*s.*, Semi-Decorticated Ground Nut Cake at £18 2*s.* 6*d.*, and Decorticated Ground Nut Cake at £19 per ton.

The Barley (Restriction) Order, 1917, prohibiting the use of barley, with the exception of tailings or screenings, except for the purpose of seeding or the manufacture of articles suitable for human food, came into force on the 1st September, 1917.

Table III.

Average Prices of Farm Products for each (June-May) year since 1913-14, shown by means of Index Numbers, the average having been weighted according to the scale adopted by the Board of Agriculture in the Agricultural Statistics :—

——	1913–14.	1914–15.	1915–16.	1916–17.	1917–18.	1918-19.
Live Stock	100	105	128	158	193	196
Dairy Produce	100	103	132	166	197	258
Cereals	100	130	168	217	234	234
Pulse	100	130	155	209	369	441
Eggs and Poultry	100	106	129	159	229	—
Hay and Straw	100	102	149	188	195	252
Fruit	100	79	92	132	147	390
Vegetables	100	99	131	185	205	265
Potatoes	100	113	142	305	207	247
Hops	100	43	63	75	82	180
Wool	100	98	144	132	147	157

Table IV.

Acreage of Cultivated Land, Arable Land, Corn Crops, Wheat, Potatoes, Vegetables and Small Fruit in Great Britain in each of the years 1893, 1898, 1903, 1908, 1913 and 1918.

Thousands of Acres.

Year.	Cultivated Land.	Arable Land.	Corn Crops.	Wheat.	Potatoes.	Vegetables.	Small Fruit.
1893	32,644	16,151	7,144	1,898	528	*52	65
1898	32,477	15,918	6,924	2,102	525	†56	70
1903	32,344	15,409	6,580	1,582	564	†65	76
1908	32,211	14,796	6,403	1,627	562	‡82	85
1913	31,927	14,360	6,426	1,756	591	§104	84
1918	31,749	15,852	8,459	2,636	803	93	72

* Carrots and Cabbage.

† Cabbage only.

‡ Carrots, Cabbage and Onions.

§ Relates to 1914, and includes 32,322 acres of Celery, Rhubarb, Brussels Sprouts and Cauliflower or Broccoli, which crops except Rhubarb, first collected in 1912, were not separately distinguished until 1914. Except Rhubarb these crops only relate to England and Wales

Table V.

Number of Total Cattle, Cows and Heifers, Sheep, Ewes and Pigs in Great Britain in each of the years 1893, 1898, 1903, 1908, 1913 and 1918.

Thousands.

Year.	Total Cattle.	Cows and Heifers.	Sheep.	Ewes.	Pigs.
1893	6,701	2,555	27,280	10,129	2,114
1898	6,622	2,587	26,743	10,138	2,452
1903	6,705	2,588	25,640	9,879	2,687
1908	6,905	2,764	27,120	10,569	2,823
1913	6,964	2,695	23,931	9,613	2,234
1918	7,410	3,030	23,353	9,501	1,825

Table VI.

Area of Cultivated Land, Number of Agricultural Labourers, and Number of Agricultural Labourers per 1,000 acres of Cultivated Land in England and Wales and Great Britain in the years 1881 to 1911.

Year.	Cultivated Land.		Agricultural Labourers.		No. of Agricultural Labourers per 1,000 acres of Cultivated Land.	
	England and Wales.	Great Britain.	England and Wales.	Great Britain.	England and Wales.	Great Britain.
	Acres.	*Acres.*	*No.*	*No.*	*No.*	*No.*
1881	27,448,900	32,211,512	870,798	1,017,045	31·7	31·6
1891	28,001,134	32,918,514	780,707	898,232	27·9	27·3
1901	27,517,314	32,417,445	621,068	724,314	22·6	22·3
			(660,000)	(770,000)	(23·9)	(23·7)
1911	27,248,823	32,094,658	656,337	751,927	24·1	23·4

Figures in brackets ( ) are alternate figures.

TABLE VII.

NUMBER AND PERCENTAGE OF HOLDINGS ABOVE 1 ACRE IN 1918, AND TOTAL ACREAGE; ACREAGE OWNED BY OCCUPIERS (WITH PERCENTAGE OF TOTAL ACREAGE) IN 1913, IN EACH SIZE GROUP IN ENGLAND AND WALES.

	1918.			*1913.**	
	No. of Holdings.	Per cent. of total.	Total acreage.	Acreage owned.	Acreage owned as percentage of total acreage in each size group.
Above 1 and not exceeding 5 acres	83,392	19·85	284,945	38,357	13·46
Above 5 and not exceeding 20 acres	114,064	27·15	1,373,277	165,019	12·02
Above 20 and not exceeding 50 acres	77,878	18·54	2,623,304	269,846	10·29
Above 50 and not exceeding 100 acres	60,572	14·42	4,324,724	393,408	9·10
Above 100 and not exceeding 150 acres	32,453	7·72	3,942,165	344,481	8·74
Above 150 and not exceeding 300 acres	37,641	8·96	7,844,200	688,481	8·78
Above 300 acres	14,126	3·36	6,736,767	990,967	14·71
TOTAL	420,126	100·00	27,129,382	2,890,559	10·65

* The acreages owned in each size group have not been tabulated since 1913. The totals for England and Wales in 1918 are as follows :—

Total acreage	26,987,512.
Acreage owned as percentage of total acreage	11·71.
Acreage owned	3,161 584.

VIII.—SIR HENRY REW also handed in the following :—

1. Copy—Report on the Wages and Conditions of Employment in Agriculture. 1918. [Cd. 25.]
2. Copy—Report by a Committee of the Agricultural Wages Board on the Financial Results of the Occupation of Agricultural Land and the Cost of Living of Rural Workers. [Cd. 76.]
3. Copies—Orders of the Agricultural Wages Board now in force, and Proposals under consideration on the 6th August, 1919.
4. Copy—Report on the Decline in the Agricultural Population of Great Britain between 1881 and 1906. [Cd. 3273.]
5. Copy—Report on the Migration from Rural Districts in England and Wales.

APPENDIX No. II.

Handed in by Mr. J. M. Caie as his evidence-in-chief, 6th August, 1919.

Table I.—*Average Prices of Grain at Edinburgh Market.*

—	1913.	1918.	First half of 1919.	Percentage Increase 1919 over 1913.
	Per Quarter. s. d.	Per Quarter. s. d.	Per Quarter. s. d.	Per cent.
Wheat	32 8	76 0½	76 3	133
Barley	29 2	64 0½	67 0	130
Oats	22 2	50 8	50 9	129

Table II.—*Average Prices of Potatoes.*

—	1913.	1918.	First half of 1919.	Percentage Increase 1919 over 1913.
	Per Ton. s. d.	Per Ton. s. d.	Per Ton. s. d.	Per cent.
Up-to-date Varieties, first quality (other than Red Soil).	67 0	134 4	153 2	129

Table III.—*Average prices of first quality fat stock.*

—	1913.	1918.	First half of 1919.	Percentage Increase 1919 over 1913.
	Per live cwt. s. d.	Per live cwt. s. d.	Per live cwt. s. d.	Per cent.
Fat Cattle.				
Aberdeen-Angus	43 4	75 11	83 1	92
Cross-bred	41 8	75 8	82 9	99
	Per lb. d.	Per lb. d.	Per lb. d.	
Fat Sheep.				
Cheviot	10	17	17¾	78
Blackface	9	16½	17¼	92
Greyface	10	16¾	17½	75
	Per stone. s. d.	Per stone. s. d.	Per stone. s. d.	
Fat Pigs.				
Bacon-Pigs	7 10	17 4	17 10	128
Porkers	8 6	17 4	17 11	111

Table IV.—*Average prices of first quality dairy cows.*

—	1913.	1918.	First half of 1919.	Percentage Increase 1919 over 1913.
	Per head. £ s.	Per head. £ s.	Per head. £ s.	Per cent.
Ayrshires—In milk	20 2	48 1	43 15	118
Shorthorn Crosses—In milk	23 7	57 0	56 8	142

Table V.—*Average wholesale prices of Milk.*

1913.	1918.	First half of 1919.	Percentage Increase 1919 over 1913.
Per Gallon. d.	Per Gallon. d.	Per Gallon. d.	Per cent.
8¼	23⅛	27½	214

Table VI.—*Average Prices of Ryegrass Hay and Oat Straw.*

(First Quality.)

—	1913.	1918.	First half of 1919.	Percentage Increase 1919 over 1913.
	Per Ton. s. d.	Per Ton. s. d.	Per Ton. s. d.	Per cent.
Ryegrass Hay	88 0	157 11	177 7	114
Oat Straw	45 6	80 5	82 10	82

TABLE VII.—*Average Prices of Fertilisers.*

—	1913.	1918.	First half of 1919.	Percentage Increase 1919 over 1913.
	£ s. d.	£ s. d.	£ s. d.	Per cent.
Nitrate of Soda	12 0 0	25 17 0	21 6 0	78
Sulphate of Ammonia	14 15 0	15 18 7	16 14 7	13
Superphosphate (3) per cent.) ...	2 15 0	6 9 9	6 15 0	145

TABLE VIII.—*Average Prices of Feeding Stuffs.*

	1913.	1918.	First half of 1919.	Percentage Increase 1919 over 1913.
	Per ton. £ s. d.	Per ton. £ s. d.	Per ton. £ s. d.	Per cent
Linseed Cake (Home)	8 10 0	19 0 10	19 2 7	125
Decorticated Cotton Cake	8 5 0	No quotation.	22 0 0	167
Undecorticated Cotton Cake (Egyptian)	6 0 0	14 13 2	14 10 8*	142

* Price of bags and authorised transport charges are not included from February to June.

TABLE IX.—*Total Produce, Acreage, and Yield per acre in* 1918, *in Scotland, and the Average Yield of the ten years* 1908–1917, *of the undermentioned Crops.*

Crops.	Total produce in 1918.	Acreage in 1918.	Yield per Acre.			Average of the ten years, 1908-1917.
			1918.	Highest yield in 1918.	Lowest yield in 1918.	
	Quarters.	*Acres.*	*Bushels*	*Bushels.*	*Bushels.*	*Bushels.*
WHEAT	401,757	79,062	40·65	Ayr Dist. of Ayr 53·16	Deer Dist. of Aberdeen 26·00	39·87
BARLEY	676,835	152,835	35·43	Do. 53·67	North Isles, Shetland 19·83	35·42
OATS	6,456,858	1,243,823	41·53	Brechin Dist. of Forfar 56·61	Lewis Dist. of Ross 16 96	38·90
	Tons.		*Tons.*	*Tons.*	*Tons.*	*Tons.*
POTATOES	1,150,561	169,497	6·79	Deeside Dist. of Aberdeen 11·09	Lewis Dist. of Ross 1·58	6·49
			Cwts.	*Cwts.*	*Cwts.*	*Cwts.*
HAY from Rye-grass, &c.	593,521	389,472	30·48	Lasswade Dist. of Midlothian 44·83	Badenoch Dist. of Inverness 16·00	31·47

PRICES CHARGED FOR THE HIRE OF THE BOARD'S TRACTORS.

		1917–18. per acre.	1918–19. per acre.
PLOUGHING	Lea over four years	25/-	30/-
	Lea four years and under	—	27/6
	Stubble land	23/-	26/
	Clean, black or red land	—	25/-
GRUBBING	First time	12/6	14/-
	Second time	11/6	12/6
CULTIVATING	First time	11/6	13/-
	Second time	10/-	10/6
HARROWING	Each stroke	2/6	3/-
DISC HARROWING	First stroke	8/-	9/-
	Second and subsequent strokes	—	4/6
ROLLING	If done as one operation	—	3/6
	If done along with some other operation	—	1/9
	Use of tractor alone for one day	—	55/-
		1918.	1919.
BINDERS	Tractor, Binder and two men	10/-	12/6
	Tractor, Binder and one man	9/-	11/6
	Binder without Tractor	3/6	*4/-

* (Plus an additional charge of 1/6 for each day the binder is in the hirer's possession).

PRICES CHARGED FOR THE HIRE OF THE BOARD'S HORSES.

		1917–18 per acre.
PLOUGHING	Two horses, plough and man Lea	25/-
	Stubble or other land	23/-

In cases where farmers provided board, etc., for the men, and keep of horses, the price to be charged per acre was fixed by Committee, subject to approval of Board.

1918–19.

If the farmer who hired the horses did not pay the wages and board and lodging of the man, or men, and provide the keep of the horses, the charge for the hire of two horses and one man was 28/- per day (including Sundays) for any number of days.

If the farmer who hired the horses paid the wages of the man, or men at the rate agreed upon between the Committee and the man, or men, and provided, during the whole period of hire (including Sundays), (*a*) board and lodging for the man, or men, (*b*) keep of horses, the charge was at the following rates:—5/- per day per horse for continuous periods not exceeding 14 days; 4/6 per day per horse for continuous periods exceeding 14 days but not exceeding 28 days; and 4/- per day per horse for continuous periods exceeding 28 days.

APPENDIX No. III.

Handed in by the Hon. EDWARD STRUTT, C.H., as part of his evidence-in-chief, August 12th, 1919.

No. 1.—*Revenue expenses for a group of farms (3,550 working acres).*

	Average 3 years 1912, 1913, 1914.	1918.	Per cent. increase 1919–20 over first first column (*i.e.*, average 3 years 1912, 1913 and 1914)	Probable Cost for 1919–20.
Rent, Interest on Buildings, Tithe and Land Tax	£ s. d. 3,752 1 8	£ s. d. 4,399 0 0	Per cent. 20	£ s. d. 4,500 0 0
Rates	523 17 4	548 3 2	10	578 0 0
Seeds	2,133 18 3	6,268 19 7	150	5,334 0 0
Manures	2,051 18 8	5,659 17 4	100	4,104 0 0
Labour	9,528 12 0	16,440 12 11*	184	27,058 0 0
Threshing, part Labour	548 2 6	902 11 10	150	1,370 0 0
Steam Cultivation, part Labour ...	320 2 6	851 19 9	100	640 0 0
Fuel	242 6 0	479 6 3	100	484 0 0
Horses and Horse Fodder	2,190 1 4	4,931 13 7	100	4,380 0 0
Implements and Tradesmen ...	1,439 10 3	1,982 3 11*	120	3,167 0 0
Sundries	636 12 8	2,058 0 0	100	1,273 0 0
Hauling, part Labour	—	477 0 7	—	—
	23,367 3 2	44,999 8 11	126	52,888 0 0

* During the War there was a great difficulty in obtaining labour for the farm, or for repairs of implements. New implements also were difficult to obtain.

No. 1A.—Wages Paid on *Group of Farms* (3,550 *acres*) from 1st June to middle July (7 weeks) for years 1913—1919.

Farm.	*1913.*	*1914.*	*1915.*	*1916.*	*1917.*	*1918.*	*1919.*
	£ s.	£ s.	£ s.	£ s.	£ s.	£ s.	£ s.
1	300 3	337 0	317 16	452 6	475 1	591 19	887 14
2	191 19	175 3	203 15	245 16	284 12	328 10	476 6
3	159 14	158 13	160 5	200 19	267 14	301 16	402 4
4	36 8	40 1	37 7	53 7	73 17	92 9	139 17
5	449 10	457 1	457 0	563 18	681 19	814 10	1,220 14
	1,137 14	1,167 18	1,176 3	1,516 6	1,783 3	2,129 4	3,126 15
Per cent. increase since 1913 ...	—	2·6	3·6	33·2	55·0	87·1	174 8

Note.—In addition, 3 Tractors are now employed and 2 Hauling engines, the weekly labour on which would come to say £15, for the seven weeks £105, which would make the increase 184 per cent.

No. 2A.—*Farm "A" Revenue Expenses.*

——	Average 3 years 1912, 1913, 1914.	1918.	Per cent. increase 1919–20 over first column (*i.e.* average 1912 13–14).	Probable cost for 1919–20.
	£ s. d.	£ s. d.	Per cent.	£ s. d.
Rent, Interest on Buildings, Tithe and Land Tax	1,026 13 8	1,285 2 9	20	1,231 0 0
Rates	126 16 1	169 2 11	10	138 0 0
Seeds	834 0 5	1,914 4 5	150	2,085 0 0
Manures	1,088 1 8	1,586 4 6	100	2,176 0 0
Labour	2,815 8 8	5,169 9 1	158	7,261 0 0
Threshing (part Labour)	108 7 3	401 2 11	150	270 0 0
Horse Expenses and Steam Cultivation (part Labour)	1,115 5 4	2,276 0 9	100	2,230 0 0
Fuel	66 15 7	118 7 7	100	132 0 0
Implements and Tradesmen ...	385 11 0	930 14 7	120	847 0 0
Sundries	31 2 3	131 11 1	100	62 0 0
	7,598 1 11	13,982 0 7	116	16,432 0 0

No. 2 B.—*Farm "B" Revenue Expenses.*

—	Average 3 years 1912, 1913, 1914.	1918.	Per cent. increase 1919-20 over first column (i.e. over 1912, 13, 14 average).	Probable cost for 1919-20.
	£ s. d.	£ s. d.	Per cent.	£ s. d.
Rent, Interest on Buildings, Tithe and Land Tax.	253 6 8	300 0 0	20	303 0 0
Rates	32 14 0	43 12 1	10	35 0 0
Seeds	135 16 10	393 14 8	150	337 0 0
Manures	143 8 4	299 13 3	100	286 0 0
Labour	636 13 9	1,145 7 3	158	1,639 0 0
Threshing (part Labour)	64 7 11	42 15 10	150	160 0 0
Horse Expenses and Steam Cultivation (part Labour).	238 12 9	715 8 3	100	476 0 0
Fuel	25 12 3	33 13 2	100	50 0 0
Implements and Tradesmen ...	85 9 10	125 17 2	120	187 0 0
Sundries	25 8 4	66 3 1	100	50 0 0
	1,641 10 8	3,166 4 9	—	3,523 0 0

No. 2 C.—*Farm "C." Revenue Expenses.*

—	Average 3 years 1912, 1913, 1914.	1918.	Per cent. increase 1919-20 over first column (i.e., over 1912, 13, 14 average).	Probable cost for 1919-20.
	£ s. d.	£ s. d.	Per cent.	£ s. d.
Rent, Interest on Buildings, Tithe and Land Tax.	602 10 2	611 12 10	20	722 0 0
Rates	93 5 0	89 0 11	10	102 0 0
Seeds	339 16 6	830 12 2	150	848 0 0
Manures	358 17 4	554 14 11	100	716 0 0
Labour	1,665 3 1	2,712 8 7	158	4,294 0 0
Threshing (part Labour)	132 1 4	135 7 2	150	330 0 0
Horse Expenses and Steam Cultivation (part Labour).	415 5 11	760 8 3	100	830 0 0
Fuel	56 10 0	50 16 6	100	112 0 0
Implements and Tradesmen ...	182 6 9	392 16 10	120	400 0 0
Sundries	105 8 4	150 12 8	100	210 0 0
	3,951 4 5	6,288 10 10	—	8,564 0 0

No. 2D.—*Wages paid on the farms "A," "B," and "C" from 1st June to middle July (six weeks) for years* 1913-1919.

—	1913.	1914.	1915.	1916.	1917.	1918.	1919.
	£ s.	£ s.	£ s.	£ s.	£ s.	£ s.	£ s.
Farm A	303 9	314 6	320 3	380 9	449 4	584 7	726 14
Percentage increase since 1913	—	3·66	5·66	25·66	48·66	93·66	141
Farm B	70 9	73 13	70 2	73 6	115 2	123 16	198 14
Percentage increase since 1913	—	4·28	—	4·28	64·28	77·14	182·85
Farm C	167 4	161 7	186 10	225 12	277 19	307 5	418 19
Percentage increase since 1913	—	—	11·37	34·73	66·47	83·83	150·9
AVERAGE percentage increase since 1913 ...	—	2·64	5·67	21·55	59·80	84·87	158·25

No. 3.—*Cost of production of one acre of wheat*, 1918 *crop, on a total acreage of* 285½ *acres on a farm particularly suitable for growing wheat.*

	Per acre. £ s. d.
Rent, tithe, rates and fire insurance	1 11 0
Sundries labour	0 9 0
Manure, farm and artificial	2 7 0
Seed	1 4 0
Horse cultivation previous to harvest...	1 18 3
Hand labour previous to harvest	1 1 6
Horse labour, harvest	0 19 0
Hand labour, harvest	1 17 6*
Threshing and delivering, partly hand labour	1 11 0
Thatching	0 2 6
Binder twine	0 6 0
	13 8 9
Superintendence	0 11 0
Interest on Capital	0 15 0
	£14 11 9 per acre.

* This is unusually large owing to the wheat being very badly lodged.

No. 4.—*Comparison of cost of labour on a mixed arable and grass farm, and a grass farm only.*

—	Mixed arable and grass farm, 475 acres.	Grass farm only 500 acres
	£ s. d.	£ s. d.
1912, 1913, 1914 average	1,329 12 1	86 0 5
Position in 1919, say 150 per cent. increase	3,324 0 2	215 1 0
Increase of labour per acre	4 4 0	0 5 2 per acre.

APPENDIX No. IV.

Handed in by Mr. W. T. Lawrence as evidence in chief, August 13th, 1919.*

CUMBERLAND AND WESTMORLAND FARM SCHOOL, NEWTON RIGG, Nr. PENRITH.

Cost of Milk Production—20 Cows.

Summer—24 weeks.

	£	s.	d.
Cost of Grass and Cake—			
Rent, 29 acres at £2	58	0	0
Rates, 29 acres at 3s. 5d.	4	19	1
Tithes, 29 acres at 2s. 5½d.	3	11	3½
Thistle-cutting and hedging, 3 days	1	2	6
Cake, 20 cows 2 lb. each for 168 days at £20 a ton	60	0	0
Rent and Rates of Buildings—			
Rent, £4 12s. 4d. Rates, £1	5	12	4
Utensils—			
10 per cent. depreciation on £25 for half-year	1	5	0
Labour—			
Cowman, 33 hours a week at 9½d.; two milkers, 14 hours a week each at 8d.; putting milk on rail, 168 days at 2s.	70	11	0
Interest on Capital—			
5 per cent. for 24 weeks on 20 cows at £45, and utensils, £25	21	7	0
Losses and Veterinary—			
Average for 24 weeks	11	10	0
Expected Profit—			
56 per cent. of £150 (£7 10s. per cow), (56 per cent. of total milk produced in 24 weeks)	84	0	0
Total	321	18	2½

Milk Yield—

605 gallons by 20 cows. Average annual = 12,100 gallons. 56 per cent. of this is produced in the 24 summer weeks = 6,776 gallons.

Cost per Gallon—

£321 18s 2½d. ÷ 6,776 = 11½d.; carriage by rail, additional 1d.

Calves—

18 at £3 = £54.

Cost of Milk Production—20 Cows.

Winter—28 Weeks.

Winter Ration when in full milk—42 lbs. swedes, 14 lbs. hay, 8 lbs. of oat straw, 4 lbs. crushed oats, and 4 lbs. of decorticated cotton cake or earth nut cake.

According to market prices.

lbs.	s.	d.
42 swedes at £1 a ton	0	4½
14 hay at £8 a ton	1	0
8 oat straw at £5 a ton	0	4½
4 oats at 48s. for 312 lbs.	0	7½
4 decorticated cotton cake at £20 per ton	0	9
	3	1

s. d. days cows	£	s.	d.	£	s.	d.
3 1 × 126 × 20	604	6	8			
Less one third of cake for cows giving little or dry	49	0	0			
				555	6	8
Rent and rates of buildings for 28 weeks				6	11	0
10 per cent. depreciation on machinery (£37), and on utensils (£25) for half year				3	2	0
Labour—45 hours a week at 9½d.; 14 hours each for two milkers at 8d.; putting milk on rail 168 days at 2s.				95	12	2
Interest—Five per cent. for 28 weeks on 20 cows at £45 and machinery £62				25	18	0
Losses—28 weeks (mainly depreciation in value of four cows)				12	0	0
Expected profit 44 per cent. of £150				None.		
				£698	9	10

According to cost of production.†

	s.	d.
At 11/5 a ton	0	2½
At £3 a ton	0	4½
At £3 a ton	0	2½
At 39/7 per quarter	0	6½
At £20 a ton	0	9
	2	0½

	£	s.	d.
2 0½ × 196 × 20			
Less £49	355	5	0
		6	11	0
		3	2	0
		95	12	2
		25	18	0
		12	0	0
		66	0	0
	£564	8	2

Milk yield 44 per cent. of 12,100 gallons produced in the winter 28 weeks—5,324 gallons.

	s.	d.
Cost per gallon—£698 9s. 10d. ÷ 5,324 =	2	1½
Carriage by rail additional	0	1

	s.	d.
£564 8s. 2d. ÷ 5,324 =	2	1½
	0	1

* The figures in the table are as corrected in the course of the evidence.

† Cost of growing swedes at present time £20 0s. 4d per acre *less* half tillages and manure charged to succeeding crops (£8 12s.) = £11 8s. 4d. 20 tons yield per acre makes cost per ton 11s. 5d. Meadow has cost from £2 10s. to £3 10s. an acre yields varying from 25 to 40 cwt. per acre. Oats cost £12 an acre to grow, harvest and thresh—average yield 40 bushels grain and 14 cwt. straw—which would give 39s. 7d. a quarter for grain and £3 a ton for straw.

FARM ACCOUNT FOR THE YEAR ENDING MARCH 31ST, 1919.

Sent in by Mr. W. T. Lawrence in accordance with his promise when giving evidence.

	£	s.	d.
Valuation, March 31st, 1918	2,715	6	5
Payments.			
Implements	85	0	1
Live Stock	916	13	4
Seeds and Manures	146	6	0
Foods	168	4	4
Share of Loan charges taken as rent equivalent of £2 5s. an acre on 119 acres .. .. £ 267 15 0			
Rent of Todd Close (1½ years) ... 34 10 0			
	302	5	0
Rates and Insurance	57	4	6
Wages	324	7	0
Purchased Milk	932	0	8
Other Payments	30	18	6
Balance	460	11	10
	£6,168	17	8

Receipts.	£	s.	d.	£	s.	d
Dairy and Poultry Sales				1,520	2	3
Live Stock Sales				1,327	9	2
Crop Sales				317	8	8
Other Receipts				27	15	4
Valuation on March 31st, 1919—	£	s.	d.			
Stock, crop, &c.	3,050	3	3			
Plus outstanding Cr. accounts ...	50	7	0			
	3,100	10	3			
Less outstanding Dr. accounts ...	124	8	0			
				2,976	2	3
				£6,168	17	8

NOTE.—The £460 11*s.* 10*d.* balance profits was not realised as *income* during the year, as £260 15*s.* 10*d.* of it was due to increased valuation; on the other hand a half-year's rent on Todd Close (£11 10*s.*) should have been paid in the previous year, and thus improved this year's income by that amount.

APPENDIX No. V.

Handed in by Sir Thomas Middleton, K.B.E., in connection with his evidence-in-chief, August 19th, 1919.

1.—*Estimate of the Pre-War and Post-War Costs of growing Wheat after Mangolds on a Heavy Loam Soil producing 4½ qrs (504 lbs.) grain. (When two figures occur, the second in brackets refers to the post-war period.)*

	Pre-War.	Post-War.
	£ s. d.	£ s. d.
Autumn Cultivations—		
Ploughing (1 man, 2 horses, ¾ acre)	0 10 8	1 4 0
Harrowing twice (1 man, 2 horses, 8 acres)	0 1 0	0 2 3
Drilling (2 men, 3 horses, 8 acres)	0 1 8	0 3 11
Harrowing (1 man, 2 horses, 16 acres)	0 0 6	0 1 1
	£0 13 10	£1 11 3
Spring Cultivations—		
Rolling (1 man, 2 horses, 8 acres)	0 1 0	0 2 3
Harrowing (1 man, 2 horses, 8 acres)	0 1 0	0 2 3
Weeding, &c.	0 5 0	0 12 0
	£0 7 0	£0 16 6
Harvesting—		
Opening out roads for binder, cutting laid corn	0 1 0	0 2 0
Cutting (1 man, 3 horses, 5 acres)	0 2 8	0 5 0
Binder Twine (4 lbs.), 4*d.* (10*d.*)	0 1 4	0 3 4
"Stooking"	0 1 3	0 2 6
Loading, carting and stacking (8 men, 4 horses, 10 acres)	0 5 10	0 10 0
Raking (boy at 2*s.* (5*s.*) and horse, 20 acres)	0 0 3	0 0 6
Thatching (100 square feet, at 1*s.* 3*d.* (3*s.*) per square)	0 1 3	0 3 0
	£0 13 7	£1 6 4
Threshing and Delivery—		
Threshing (8 acres per day; machine and 2 men), £2 2*s.* (£3 10*s.*); 6 cwt. coal at 1*s.* (2*s.* 3*d.*); 7 men and 2 boys at 2*s.* (5*s.*; horse and water); cart, 2*s.* (2*s.* 6*d.*).	0 9 4	0 19 0
Dressing Grain	0 1 6	0 3 0
Carting to station	0 2 0	0 4 0
	£0 12 10	£1 6 0
Other Charges—		
Rent, rates and taxes	1 5 0	1 10 0
Two-fifths share of cost of cleaning crop, assuming net cost, 30*s.* (£3)	0 12 0	1 4 0
Seed (2¼ bushels, at 4*s.* (8*s.*), home-grown), pickling, 3*d.* (6*d.*)	0 9 3	0 18 6
Manures, including spreading, one-third value of manures applied to previous mangold crop:—12 tons at 6*s.* (10*s.*) ton, 6 cwt. mixed artificials at 30*s.* (60*s.*) per acre.	1 14 0	3 0 0
Depreciation and Upkeep of Implements, costing 35*s.* (60*s.*) per acre, at 10 per cent. and interest, 4 per cent. (5 per cent.).	0 5 0	0 9 0
Upkeep of Roads, Ditches, Fences	0 2 6	0 5 0
Insurances	0 1 0	0 3 0
Farmer's "Wages," £150 (this assumes farmer of 300 acres at 10*s.* per day for 300 days).	0 10 0	0 10 0
Interest on Tenant's Advances at 4 per cent. (5 per cent.)	0 3 0	0 6 10
	£5 1 9	£8 6 4
Total per acre	£7 9 0	£13 6 5
Assuming a crop of 4½ qrs. per acre—Cost per qr. of 504 lbs.	£33 1 0	£59 2 0

Notes on Estimate of Cost of Growing Wheat.

Wages.

Pre-War taken 18*s.* per week and harvest 30*s.* per week.

Post-War—Taken at 44*s.* for 5½ days' work, or 8*s.* per day, and in harvest at 10*s.* per day.

Manures.

The value placed on the dung allows for carting and artificial feeding stuffs only. The straw grown is assumed to be returned to the land and is not charged.

Estimated Cost of keeping a Horse.

	Pre-War.	Post-War.
	£ s. d.	£ s. d.
Oats (14 lbs. per day for 8 months, 7 lbs. for 3 months at 2*s.* 6*d.* (5*s.*) bushel of 39 lbs.)	13 0 0	26 0 0
Hay (14 lbs. per day for 6 months, 7 lbs. for 3 months at 3*s.* (6*s.*) cwt.)	4 7 0	8 14 0
Straw (7 lbs. per day consumed for 3 months; 7 lbs. bedding for 10 months; 25 cwt. set against manure)	—	—
Grass (1 acre)	1 10 0	2 0 0
Shoeing (5 sets)	1 0 0	2 10 0
Veterinary fees	0 10 0	0 15 0
Harness, Repairs, Stable Utensils	0 7 6	0 15 0
Risk 2 per cent., Interest 5 per cent., Depreciation 7 per cent. (8 per cent.) on £33 10*s.* (£60)	4 18 10	9 0 0
	£25 8 4	£49 14 0
Assumes 4 year old valued at £50 (£100), sold at 14 for £15 (£20).		
Good conditions—240 (220) days per annum working=	0 2 1	0 4 6
Poor conditions—200 (180) days per annum working=	0 2 7	0 5 6
Rate taken	0 2 6	0 5 0

Interest on Tenants' Advances.—In addition to tenants' capital invested in horses and implements, the farmer incurs outlays beginning at Michaelmas. It may be assumed that the crop will be marketed on the average by 1st January following.

The interest is charged at 4 per cent. (5 per cent.) on :—
Autumn cultivations for a period of 12 months ;
Spring cultivations for a period of 9 months ;
Harvesting for a period of 4 months ;
Threshing and Delivery—Nil.
Rents, Rates and Taxes, 6 months ; on half the amount.
Seed and Manures—12 months.

2.—*Estimated cost of Breeding, Rearing and Fattening Beef Cattle, (1) at the prices ruling immediately before the War, (2) at the prices ruling in the Autumn of 1919.*

The estimate applies to cattle fattened at two years old (100 weeks) and three years old (147 weeks) respectively.

In order to eliminate variables the animals are supposed to be bred and fattened by the same owner. The farm is therefore adapted for both rearing and feeding. It is assumed to have a proportionately large area of 2nd and 3rd rate pasturage, and also enough tillage land to provide moderate rations of roots of good quality, and a sufficiency of oat straw. The cattle are assumed to be well-bred, and the results indicated could only be secured on the rations supplied if the management were thoroughly efficient. The gains made up to 23 months old are based on the weighing of about 130 cattle in seven successive seasons, *i.e.* of about 18 animals in each year. The weights made between 23 and 34 months are based on the figures obtained in various cattle-feeding experiments.

The prices used have been :—

Pre-war period.—Roots 6*s.* 8*d.*, Oat Straw 30*s.*, Meadow Hay 50*s.*, Seeds Hay 60*s.* per ton. Linseed Cake per ton £7 15*s.* less for manure value £2 5*s.*, *nett* £5 10*s.* Egyptian Cotton Cake per ton £5 10*s.* less for manure value £1 15*s.*, *nett* £3 15*s.*

Post-war period.—Roots 15*s.*, Oat Straw 50*s.*, Meadow Hay 80*s.*, Seeds Hay 120*s.* per ton. Linseed Cake per ton £25 10*s.*, less for manure value £3 10*s.*, *nett* £22. Egyptian Cotton Cake per ton £20 5*s.* less for manure value £2 15*s.*, *nett* £17 10*s.*

A.—*Cattle fattened off at 23 months (100 weeks) old.*

	Pre-war.	Post-war.
	£ *s.* *d.*	£ *s.* *d.*
I. *First six months* (*1st May—1st November*)—		
Pasturage, cow for a year, calf six months (6 acres)	2 10 0	3 0 0
Meadow hay, 18 weeks at 8 lb. per head per day	1 2 6	1 16 0
Labour (30 cows would occupy from one-third to one-half the time of a man)	0 12 6	1 10 0
General up-keep expenses charged to calf at birth, viz. : depreciation in cows, calving losses, occasional concentrated feeding-stuffs, keep of barren cows, bull	2 0 0	3 0 0
Management	0 5 0	0 5 0
General maintenance charges	0 5 0	0 12 6
	6 15 0	10 3 6
(At six months old the calf will weigh from 400—410 lbs., weight taken at 3 cwt. 2¼ qrs.)		
II. *Young cattle during 1st winter* (*24 weeks from 1st November*)—		
Grass for 24 weeks at 4*d.* pre-war and 5*d.* post-war per head, per week	0 8 0	0 10 0
Attendance pre-war 4*d.*, post-war 9*d.* per head, per week	0 8 0	0 18 0
Management	0 5 0	0 5 0
General maintenance charges	0 5 0	0 10 0
	1 6 0	2 3 0
Daily ration per head :—		
28 lbs. swedes	0 14 0	1 11 6
6 lbs. meadow hay	1 2 6	1 16 0
1 lb. linseed cake (for last 12 weeks)	0 4 1	0 16 6
and 1½ lbs. Egyptian cotton cake (for last 12 weeks)	0 4 1	0 19 8
Total cost	3 10 8	7 6 8
(At 12 months old the animal should weigh from 600—620 lbs. weight taken at 5 cwt. 1¾ qrs.)		
III. *Second summer* (*28 weeks*)—		
Egyptian cotton cake, 2 lbs. per head per day for 8 weeks	0 3 9	0 17 6
Grazing, 28 weeks, 2–3 acres of grass at 12*s.* per acre pre-war and 14*s.* post-war	1 10 0	1 15 0
Labour	0 5 0	0 12 0
Management	0 5 0	0 5 0
General management charges	0 2 6	0 5 0
Total	2 6 3	3 14 6
(At 18 months old the animal should weigh from 820–840 lbs. weight taken at 7 cwt. 1¾ qrs.)		
IV. *Second winter* (*22 weeks*)—		
Daily ration per head—		
56 lbs. swedes or mangolds	1 5 8	2 17 9
5 lbs. meadow hay	0 17 2	1 7 6
5 lbs. oat straw	0 10 4	0 17 2
4 lbs. Egyptian cotton cake	1 0 7	4 16 3
2 lbs. linseed cake	0 15 1	3 0 6
	4 8 10	12 19 2
Attendance, 6*d.* pre-war, post-war 1/2 per head per week	0 11 0	1 5 8
Management	0 5 0	0 5 0
General maintenance charges	0 5 0	0 10 0
Total	£5 9 10	£14 19 10
(At 100 weeks the animal should weigh about 1,100 lbs., or 9 cwt. 3¼ qrs.)		

B.—*Cattle fattened off at 34 months (147 weeks) old.*

	Pre-war.	Post-war.
I. *First six months* (*1st May—1st Nov.*)—		
The cost would be the same as in the previous case	£ s. d. 6 15 0	£ s. d. 10 3 6
(At six months old the calf should weigh about 3½ cwt.)		
II. *Young cattle during 1st winter* (*24 weeks from 1st Nov.*)—		
The cost would be the same as in "A," less the value of about half the cake...	3 6 7	6 8 7
(At 12 months old the cattle should weigh about 4½ cwt.)		
III. *Second Summer* (*28 weeks*)—		
Same as in "A," but no cake fed, *i.e.*	2 2 6	2 17 –
(At 18 months old the animal should weigh about 6½ cwt.)		
IV. *Second Winter* (*24 weeks*)—		
Daily ration per head—		
84 lbs. Turnips or Swedes	2 2 0	4 14 6
10 lbs. Oat Straw	1 2 6	1 17 6
Attendance 6*d.* pre-war, post-war 1*s.* 2*d.*, per head per week	0 12 0	1 8 0
Management and general maintenance charges	0 7 6	0 10 0
	4 4 0	8 10 0
(At 24 months old the animal should weigh 8 cwt.)		
V. *Third Summer* (*28 weeks*)—		
Grazing, 28 weeks, 2–3 acres grass at 18*s.* pre-war and 20*s.* post-war per acre ...	2 5 0	2 10 0
Egyptian Cotton Cake, 3 lbs. per head per day for eight weeks	0 5 8	1 6 3
Labour	0 5 0	0 12 0
Management	0 5 0	0 5 0
General maintenance charges	0 2 6	0 5 0
	3 3 2	4 18 3
(At 30 months old the animal should weigh 10¼ cwt.)		
VI. *Third Winter* (*17 weeks*)—		
Daily ration per head :—		
100 lbs. Roots	1 15 5	3 19 7
7 lbs. Oat Straw	0 11 1	0 18 7
3½ lbs. Seeds Hay	0 11 2	1 2 4
4 lbs. Egyptian Cotton Cake	0 15 11	3 14 4
3 lbs. Linseed Cake	0 17 6	3 10 2
	4 11 1	13 5 0
Attendance pre-war 6*d.*, post-war 1*s.* 2*d.* per head per week	0 8 6	0 19 10
Management	0 5 0	0 5 0
General maintenance charges	0 5 0	0 10 0
	£5 9 7	£14 19 10
(At 34 months (147 weeks) the animal should weigh 12½ cwt.)		

SUMMARY 1.

Estimate of the Cost of Producing Meat in 1913–14 and 1919–20.

I. *Cattle slaughtered at 23 months old.*

Age.	Weight.	Cost at each age.			
		Per head.		Per cwt. L.W.	
		1913–14.	1919–20.	1913–14.	1919–20
	cwt. qrs. lbs.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Birth	0 2 19	2 0 0	3 0 0	2 19 9	4 9 7
6 Months	3 2 7	6 15 0	10 3 6	1 17 11	2 17 1
12 ,, ...	5 1 21	10 5 8	17 10 2	1 17 10	3 4 5
18 ,, ...	7 1 21	12 11 11	21 4 8	1 13 10	2 17 1
23 ,, ...	9 3 7	18 1 9	36 4 6	1 16 10	3 13 10
II. *Cattle slaughtered at 34 months.*					
Birth	0 2 19	£ s. d. 2 0 0	£ s. d. 3 0 0	£ s. d. 2 19 9	£ s. d. 4 9 7
6 Months	3 2 0	6 15 0	10 3 6	1 18 7	2 18 2
12 ,, ...	4 3 0	10 1 7	16 12 1	2 2 5	3 9 11
18 ,, ...	6 2 0	12 4 1	19 9 1	1 17 6	2 19 10
24 ,, ...	8 0 0	16 8 1	27 19 1	2 1 0	3 9 11
30 ,, ...	10 1 0	19 11 3	32 17 4	1 18 2	3 4 2
34 ,, ...	12 2 0	25 0 10	47 17 2	2 0 1	3 16 7

SUMMARY 2.

Estimate of the Cost of Producing Live Weight Increase at each Period in Life of Cattle.

I.—*Cattle slaughtered at 23 months old.*

Age.	Cost of Increase.			
	Per head.		Per cwt.	
	1913–14.	1919–20.	1913–14.	1919–20.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Birth to 6 months (summer)	4 15 0	7 3 6	1 12 10	2 9 7
6 to 12 months (winter)	3 10 8	7 6 8	1 17 8	3 18 3
12 „ 18 „ (summer)	2 6 3	3 14 6	1 3 1	1 17 3
18 „ 23 „ (winter)	5 9 10	14 19 10	2 6 3	6 6 3

II.—*Cattle slaughtered at 34 months old.*

	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Birth to 6 months (summer)	4 13 0	7 3 6	1 13 7	2 10 8
6 to 12 months (winter)	3 6 7	6 8 7	2 13 3	5 2 10
12 „ 18 „ (summer)	2 2 6	2 17 0	1 4 3	1 12 7
18 „ 24 „ (winter)	4 4 0	5 10 0	2 16 0	5 13 4
24 „ 30 „ (summer)	3 3 2	4 18 [illegible]	1 8 1	2 3 8
30 „ 34 „ (winter)	5 9 7	14 19 10	2 8 8	6 13 3

APPENDIX No. VI.

Extracts from a paper read before the Cambridge and District Farmers' Federation on April 5th, 1919, by J. O. ODELL VINTER, F.S.S. (*See his evidence at p.* 147 *of Minutes of Evidence.*), *handed in with his evidence given on 19th August*, 1919.

PRESENT DAY COSTS.

I will now present an estimate for the current year on present costs.

Capital.—This I find has increased to not less than £15 per acre; I am justified in raising the rate of interest to 6 per cent., as investments in Government Stock (about the best security in the world) yield well over 5 per cent. The interest on farming capital would therefore now amount to 18s. per acre.

Labour.—This now amounts on light lands to £3 10s. per acre.

Rent.—I take the figure of 25s., the same rate as for the last four of the seven pre-war years.

Manures purchased.—This I put at 10s. per acre.

Horse keep (*corn only*).—At 20s. per acre.

Tradesmen's accounts.—At 20s. per acre. I am not sure that this rate is high enough, including, as it does, coal for threshing, blacksmiths' bills, binder twine, and sundry items, nearly all of which have still a tendency in the upward direction.

Rates and taxes.—I estimate these will amount to 15s. per acre. Whereas the assessment in 1908 was on one-third of the rent, and the maximum tax at that time was 1s.; it is now on double the rent with a maximum of 6s., which means the income tax is 36 times more than in 1908.

On the credit side I take, for the purpose of estimate, the approximate present controlled prices per quarter, namely, wheat 76s., barley 70s., oats 50s. These figures slightly exceed the scale fixed by the Government.

I estimate the quantities at 4 quarters wheat, 4½ quarters barley, 6 quarters oats. Government fixed barley at 4 qrs., and oats at 5 qrs. I again take net meat. I have not explained what I mean by "net meat"; it is the balance remaining after first cost of stock and cake or other feeding stuffs consumed by the stock, chaff and roots being taken as an equivalent for the dung or foldings. The total receipts I estimate at £10 10s. per acre.

NET PROFIT *12s., AS AGAINST 15s. 2d.

I will now tabulate the two periods:

	For 7 years to Sept., 1914.			For the current year ending Sept. 29, 1919.		
	£	s.	d.	£	s.	d.
Interest on capital ...	0	8	0	0	18	0
Labour	1	11	5	3	10	0
Rent	1	3	6	1	5	0
Seed	0	8	6	1	0	0
Manure	0	7	0	0	10	0
Keep of horses	0	7	8	1	0	0
Tradesmen's accounts ...	0	11	2	1	0	0
Rates and Taxes	0	2	0	0	15	0
	4	19	3	9	18	0
Receipts	5	14	5	10	10	0
Net Profit	0	15	2	0	12	0*

* Income tax 12s.

The net profits, as shown, therefore, after charging interest capital on the present controlled prices of corn, is not only actually less than before the war, but, measured by the purchasing power of money to-day, is very considerably less. The estimates for the current year show that of the £9 18s. cost per acre for the carrying on of the occupation, £4 15s. is represented by rent and labour. Rents in most cases will probably remain the same. They should not be less. The labour bill will not be less.

The balance of £5 3s. per acre is the total sum upon which any savings or economies could be effected; the cost of seed, manures, and keep of horses would automatically fall with lower values of farm produce, and tradesmen's accounts would be less with a fall in the cost of raw materials. Rates and taxes, judging by the appalling sum which it is proposed to spend on civil and local services, will soar to an alarming height.

THE PRICE OF WHEAT.

It is a very difficult problem to solve as to what may eventually be the price at which wheat can be produced in this country to be a sound commercial business. I am inclined to think that, allowing for the possible decreased costs which I have just indicated, that 60s. per qr. is the very lowest price at which wheat could be produced to show a living profit. ("No, no.")

NOTE.—Since I wrote the above paper, the Agricultural Wages Board has issued a proposal to further increase the wages. An average increase of 6s. on the top of the present scale would mean an additional cost of 9s. per acre on light land, and 12s. on the heavier soil. If you deduct such increased charges from my hypothetical trading account for the present year you will see that the estimated profit per acre is nearly wiped out.

On the question of my estimate for taxes, I wonder whether you are aware that on the new basis of assessment the charge under Schedule B is thirty-six times more than in the years 1906, 1907 and 1908. Take, for example, an assessment on a rental of £600 in those years on one-third at the maximum of 1s. tax would amount to £10. This year the assessment would be on 1,200 at the maximum of 6s. would amount to £369. That is thirty-six times greater. I name this to show the very great importance of keeping such accounts as will enable a person to return under Schedule D, that is on actual profit or loss, as the case may be.

APPENDIX No. VII.

Handed in by Mr. L. N. Gooding, as part of his evidence-in-chief, 20th August, 1919.

TABLE "A."

(1) *Returns received estimating the Cost of Keeping Farm horses in Norfolk.*

No.	No. of weeks in stable.	No. at Grass.	Cost in Stable weekly.	At Grass Cost per week.	No. of days at work.	Cost per day at work.	No. of working horses.	Acreage.
			£ s. d.	£ s. d.		s. d.		
1 ...	30	22	1 3 7	0 17 7	255	4 3½	12	600
2 ...	34	18	1 5 7	0 13 7	191	5 10	11	370
3 ...	39	13	1 10 3	1 10 0	301	5 2½	22	1,100
4 ...	34	18	1 19 9	0 15 0	300	5 4	16	360
5 ...	35	17	1 1 4	0 13 4	280	3 5¾	19	992
6 ...	28	24	1 1 0	0 9 0	260	3 1	12	600
7 ...	29	23	1 7 0	0 3 6	258	3 4	5	120
8 ...	35	17	1 8 3	1 2 5	300	4 5	14	705
9 ...	35	17	1 1 0	0 16 5	250	4 1	6	288
10 ...	32	20	1 6 6	1 6 6	280	4 11	13	776
—	331	189	13 4 3	8 7 5	2,675	43 11½	130	5,911
Average	33	19	1 6 5	16 9	267	4 4¾	—	—

(2) *Cost of growing one acre of wheat on light land in Norfolk.*

Tillage operation, &c.	Acres worked per day.	Horses used.	Men.	Cost per acre.	Cost of manual labour.	Cost of horses.
				£ s. d.	£ s. d.	£ s. d.
Farm yard manure, 12 lds. at 5s.	—	—	—	3 0 0	—	—
„ „ carting and (20 lds.) spreading ...	—	3	2½	1 2 0	0 11 2	0 10 10
Ploughing clover layer	1¾	3	1	0 14 7	0 4 4	0 10 3
Rolling...	8	2	1	0 2 5½	0 0 11½	0 1 6
Harrowing (twice)	6 (twice).	2	1	0 3 3	0 1 3	0 2 0
Drilling	10	3	2½	0 3 8	0 1 10½	0 1 9½
Seed, 10 pecks at 40s.	—	—	—	1 5 0	—	—
Harrowing	10	2	1	0 1 11½	0 0 9	0 1 2½
Bird-scaring	—	—	—	0 1 3	0 1 3	—
Spring harrowing	10	2	1	0 1 11½	0 0 9	0 1 2½
Rolling...	9	2	1	0 2 5½	0 0 11½	0 1 6
Horse-hoeing	10	1	1½	0 1 8¾	0 1 1½	0 0 7¼
Hand hoeing and weeding	—	—	—	0 10 0	0 10 0	—
Harvesting (less team-man's wages, included in cultivations).	—	—	—	1 4 0	0 16 0	0 8 0
Binder-twine, 4 lbs. at 1s. 1d.	—	—	—	0 4 4	—	—
Thatching	—	—	—	0 2 3	0 2 0	0 0 3
Rent	—	—	—	0 15 0	—	—
Rates and insurance	—	—	—	0 2 0	—	—
Repairs and renewals to implements	—	—	—	0 10 0	—	—
Foreman's superintendence...	—	—	—	0 4 0	0 4 0	—
Threshing and delivery to market...	—	—	—	0 12 6	0 10 0	0 2 6
Total cost per acre				11 4 4¼	3 6 4½	2 1 7¾

TABLE "B."

(1) *Average Yield of Corn for 6 years, 1913–1918.*
Light land, well farmed.

	Acres.	Wheat.	Average.	Acres.	Barley.	Average.	Acres.	Oats.	Average.	Acres.	Rye.	Average.	Total.
		Cbs.	*Bush.*		*Cbs.*	*Bush.*		*Cbs.*	*Bush.*		*Cbs.*	*Bush.*	*Acres.*
1.	100½	827	32·88	703	3,152	17·92	373	3,077	33·0	140	632	18·04	1,399
2.	159	734	18·46	542	2,689	19·84	273	2,950	43·22	8	32	16·0	1,022
3.	231	1,094	18·92	570	2,917	20·44	220	1,372	24·92	344	881	10·24	1,365
4.	316	1,668	21·08	193	717	14·86	234	1,155	19·74	209	1,043	10·96	952
5.	253	855½	15·08	410	1,150	11·2	364	1,738	19·08	260	654	10·04	1,287
	1,059½	5,178½	19·55	2,418	10,625	17·53	1,464	10,292	27·43	961	3,242	13·49	6,025
6.	—	—	18·4	—	—	16·41	—	—	20·5	—	—	14·0	420
7.	—	—	20·0	—	—	18·0	—	—	24·0	—	—	10·0	2,000
8.	—	—	20·0	—	—	16·0	—	—	20·0	—	—	12·0	3,000
9.	—	—	28·0	—	—	30·0	—	—	38·0	—	—	17·0	2,400
	—	—	21·42	—	—	18·29	—	—	26·14	—	—	14·03	13,845 (about).

(2) *Cost of growing one acre of oats on light land in Norfolk.*

Tillage operations, &c.	Acres worked per day.	Horses used.	Men.	Cost per acre.	Cost of labour.	Cost of horse labour.
				£ s. d.	£ s. d.	£ s. d.
Value of folding previous crop	—	—	—	0 10 0	—	—
Ploughing layer	1¼	3	1	0 14 7	0 4 4	0 10 3
Rolling...	8	2	1	0 2 5½	0 0 11½	0 1 6
Harrowing (heavy)	8	3	1	0 3 2½	0 0 11½	0 2 3
Light Harrowing	10	2	1	0 1 11½	0 0 9	0 1 2½
Drilling	10	3	2½	0 3 8	0 1 10½	0 1 9½
Seed 3¼ bushels at 35*s.*	—	—	—	1 10 7½	—	—
Harrowing in	12	2	1	0 1 7½	0 0 7½	0 1 0
Light Rolling	8	2	1	0 2 5½	0 0 11½	0 1 6
Bird Scaring	—	—	—	0 1 3	0 1 3	—
Horse Hoeing	10	1	1½	0 1 8¾	0 1 1½	0 0 7¼
Hand Hoeing and Weeding	—	—	—	0 10 0	0 10 0	—
Harvesting	—	—	—	1 4 0	0 16 0	0 8 0
Binder Twine 4 lbs. at 1*s.* 1*d.*	—	—	—	0 4 4	—	—
Thatching	—	—	—	0 2 3	0 2 0	0 0 3
Rent	—	—	—	0 12 6	—	—
Rates and Insurance	—	—	—	0 2 0	—	—
Repairs and Renewals to Implements	—	—	—	0 10 0	—	—
Foreman's superintendence	—	—	—	0 4 0	—	—
Threshing and delivery to market	—	—	—	0 15 6	0 12 6	0 3 0
				7 18 1	2 18 2¼	1 11 4¼

(3) *Cost of growing one acre of Barley on light land in Norfolk.*

Tillage operations.	Acres worked per day.	Horses used.	Men	Cost per acre.	Cost of Manual labour.	Cost of horse labour.
				£ s. d.	£ s. d.	£ s. d.
Value of folding previous crop	—	—	—	1 0 0	—	—
Part cost of cleaning land for previous root crop ...	—	—	—	1 10 0	0 10 0	1 0 0
Ploughing (twice)	1¼	1	1	1 2 4	0 8 7	0 13 9
Cultivator	8	3	1	0 3 2½	0 0 11½	0 2 3
Harrow (twice)	10	2	1	0 1 11½	0 0 9	0 1 2½
Drilling	10	3	1	0 2 6½	0 0 9	0 1 9½
Seed, 2½ bushels at 36*s.* at 16 st.	—	—	—	1 2 6	—	—
Harrowing in	10	2	1	0 1 11½	0 0 9	0 1 2½
Rolling	8	2	1	0 2 5½	0 0 11½	0 1 6
Bird scaring	—	—	—	0 1 3	0 1 3	—
Harvesting	—	—	—	1 4 0	0 16 0	0 8 0
Binder twine 3½ lbs. at 1*s.* 1*d.*	—	—	—	0 3 9½	—	—
Thatching	—	—	—	0 2 0	0 1 9	0 0 3
Rent	—	—	—	0 12 6	—	—
Rates and Insurance	—	—	—	0 2 0	—	—
Repairs and Renewals to Implements	—	—	—	0 10 0	—	—
Foreman's superintendence...	—	—	—	0 4 0	0 4 0	—
Threshing and delivery to market	—	—	—	0 10 10	0 7 10	0 3 0
				8 17 3½	2 13 6½	2 15 8½

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